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Indonesia Urges Private Sector Role in APEC

BK2011080895 Jakarta KOMPAS in Indonesian 20 Nov 95

[Report by Yusron Ihza — received via Internet]

[FBIS Translated Excerpt] Osaka, KOMPAS — The participation of private businessmen in the trade and investment liberalization process in the APEC [Asia-Pacific Economic Cooperation] region has become more important than ever before.

Not only can the private sector participate directly in the process, but it can also create a synergy of various business sectors in APEC countries.

Hartarto, coordinating minister of industry and trade, as chief delegate of the Republic of Indonesia to the APEC ministerial meeting, said this during a symposium on APEC jointly sponsored by the Pacific Economic Cooperation Council (PECC) and the Pacific Basin Economic Council (PBEC) in Osaka on Saturday (18 November).

The symposium, which was opened by Japanese Prime Minister Tomiichi Murayama, was attended by "spokesmen" of APEC countries as well as members of the private sector and academics.

Among them were Dr. Yusuf Wanandi, chairman of the Advisory Council of the Center for Strategic and International Studies (CSIS); Dr. C. Fred Bergsten, chairman of the Eminent Persons Group (EPG); Toyoo Gyohten, president director of the Bank of Tokyo; and Kimio Fujita, president of the Japanese International Cooperation Agency (JICA).

According to Hartarto, the creation of a synergy among members of the private sector within APEC will not only be useful for the businessmen concerned but will also narrow the wide gap between industrialized and developing countries within APEC.

"In addition, the synergy will ensure a more efficient utilization of human resources. Such efforts will further boost interdependence in each APEC country," he said.

Hartarto added there is a more open opportunity for a business synergy now that various tariff and nontariff barriers within APEC have been further reduced. The synergy will serve APEC and world markets.

"This is possible because the reduction of trade and investment barriers in APEC will turn the region into an efficient production site," he said.

Hartarto has said on various occasions that not only big businessmen could avail themselves of opportunities in the APEC liberalization process. Small and medium businessmen can also undertake a synergy.

He stated that APEC emphasizes economic and technical cooperation as its third pillar, which is as important as its first pillar (liberalization) and its second pillar (facilitation).

Indonesia has hosted a meeting the Ad Hoc Committee on Small and Medium Businessmen as well as a dialogue to encourage members of the private sector to cooperate in the development of infrastructure.

"Members of the private sector can also participate in other fields," he said. [passage omitted on APEC summit]

Taiwan APEC Delegation Holds News Conference

OW2011090295 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 18 Nov 95

[From the "Hookup" program]

[FBIS Translated Text] On the evening of 18 November, the ROC [Republic of China] delegation to the Asia-Pacific Economic Cooperation [APEC] forum held a news conference, providing a briefing of representative Ku Cheng-fu's meetings with leaders of various countries.

Accompanying representative Ku Cheng-fu were Economic Affairs Minister Chiang Ping-kun; Finance Minister Lin Chen-kuo; Sun Ming- hsien, chairman of the Council of Agriculture; and (Ku Lien-dong), adviser to the Executive Yuan. Representative Ku met Brunei Sultan Hassanal Bolkiah, Malaysian Prime Minister Mahathir, Indonesian President Suharto, Singapore Prime Minister Goh Chok Tong, and Philippine President Ramos.

During their meetings, Representative Ku extended greetings on behalf of President Li Teng-hui to leaders of various countries. He also extensively exchanged views on cooperation in the Asia-Pacific region and on ways to enhance bilateral [words indistinct] relations. Representative Ku urged leaders of various countries to help the ROC join the World Trade Organization at an early date. He also expressed the hope that those countries that have not completed bilateral consultations with the ROC on its bid to enter the General Agreement Tariffs and Trade will complete them quickly, and that those countries that have completed bilateral consultations with the ROC will sign agreements quickly.

According to the delegation's news statement, the meetings between Representative Ku and leaders of various countries will not only enhance bilateral friendship, but will also be quite helpful to further improving bilateral ties between the ROC and various countries in the future.

However, asked about the details of the meetings and whether Philippine President Ramos mentioned the attendance of leaders at the 1996 APEC summit, Yeh Tien-hsing, deputy director general of the Executive Yuan Government Information Office, said said he did not attend the meetings.

Philippines Vows 'Excellent' 1996 Preparations

BK2011080595 Manila PNA in English
1132 GMT 19 Nov 95

[Received via Internet]

[FBIS Transcribed Text] Osaka, Japan (PNA) — Obviously impressed by the preparations made by Japan, President Fidel V. Ramos has directed his Cabinet to make sure that the Philippines will be an "excellent" host to the Asia-Pacific Cooperation (APEC) Leaders' Meeting next year.

"Our preparations should be excellent. Dapat [It should be] the best," the President this morning told top government officials, including Foreign Affairs Secretary Domingo Siazon, Trade Secretary Rizalino Navarro, Press Secretary Hector Villanueva and former Armed Forces Chief Lisandro Abadia, who heads the APEC 1996 National Organizing Committee [NOC].

The President described the country's hosting of APEC 1996 as a "historical event" which will not be repeated until after 17 years.

Abadia, when asked by reporters if he can make a well-organized plan for the APEC event in Manila and Subic, replied: "Of course."

The retired army general said he has been meeting with Japanese officials tasked with the preparation for the Osaka summit. He also visited the Osaka-Jo Hall which was converted into an International Press Center equipped with all the latest telecommunications facilities.

The President is expected to convene the APEC 1996-NOC when he returns to Manila.

Foreign Affairs Undersecretary Rodolfo Severino, in a press conference Saturday, said that holding APEC in the country "is a big challenge to the Filipino people."

"It's not just the government. Everybody's effort is needed, especially the private sector," he pointed out.

The President has been encouraging each of the APEC member countries to have an investment in Subic, the venue of the APEC Leaders' Meeting.

"The President wants to have something on the ground, a concrete one so that we will be able to showcase the actual partnership between the Philippines and other APEC member countries," Undersecretary Severino said.

When the Philippines assumes the APEC chairmanship tomorrow, Severino said it is prepared to play its role to transform the APEC vision into an actual reality.

"On Monday, we will chair the work of pushing the Action Plan that each economy will start developing right after the Leaders' Meeting," he said.

During the year, there will be constant consultations and meeting among APEC officials "to compare, discuss and assess these action plans," he said.

In an interview with Japanese media earlier, President Ramos said the Philippines would put more emphasis on such issues as environmental preservation and external debt, which he raised during their first informal meeting in Seattle two years ago.

Ramos Pledges To Maintain APEC 'Momentum'

BK2011074895 Manila PNA in English
1132 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Japan, Nov. 19 (PNA) — President Fidel V. Ramos today declared that Manila is ready to host the 1996 Leaders' Meeting of the Asia-Pacific Economic Cooperation (APEC).

He told in a press conference here after the conclusion of the successful Osaka APEC meeting that he will help maintain the political momentum of the action plan for APEC.

The President called for "continuing support by leaders and officials involved in engineering this road map for APEC into the 21st century."

The 1995 APEC meeting ended Sunday with the adoption of the Osaka Action Agenda that will hasten the implementation of free trade and investment in the region.

The agenda calls for industrialized countries to liberalize trade by the year 2010 and for developing countries ten years later.

The President said he was happy to know that during the Osaka discussions equal attention was given to the economic-technical cooperation to the less developed countries.

This was included in the final draft of the Osaka Action Agenda.

"Earlier, the perception was that part one: liberalization and facilitation was being given focus in order to open up the market of member economies, even those that could not start from the same initial conditions."

He said the agenda has recognized the diverse economic condition of APEC members by allowing them for "flexibility" in dealing with issues arising from such circumstances in the liberalization and facilitation process.

The President said that economic and technical cooperation allows for voluntary contributions from APEC economies "commensurate" with their capabilities.

"All of these provisions provide enough room for developing economies to situate themselves beneficially in the APEC forum," he said.

At the Osaka meeting, Japanese Prime Minister Tomiichi Murayama pledged to give seed money of 10 billion yen to APEC to be used for cooperative projects.

The President suggested that the funding be extended to all three areas of APEC's work so that they recognized gaps in economic performance within the region and be meaningfully narrowed down as it was accepted in the Bogor, Indonesia last year.

This sentiment was shared by other leaders from developing economies.

Thai Premier Urges APEC Food, Energy Reserves

BK2011053395 Bangkok BANGKOK POST in English 20 Nov 95 p 7

[Report by Wichit Sirithawiphon]

[FBIS Transcribed Text] Osaka — Prime Minister Banhan Sinlapa-acha yesterday urged APEC leaders to establish food and energy reserves in order to increase confidence in the supply of basic needs and to offer people a better future.

One of Mr Banhan's advisers, Dr Suphak Suphachalasai, has described the food security proposal also as a means of reducing protectionist pressures in a number of countries in the Asia Pacific Economic Cooperation [APEC] group.

Mr Banhan's proposal would imply an APEC-wide system of reserves supplied by surplus producers. It would be designed to defuse pressures to create domestically-produced reserves within APEC.

Australian Prime Minister Paul Keating also advocated creating food security reserves in order to meet increasing demand from rapidly growing Asian populations and incomes.

In yesterday's informal summit, known as the leaders' meeting, Mr Banhan also expressed Thailand's support for the Osaka Action Agenda.

The Agenda sets the terms of reference for APEC liberalisation and cooperation that ministers and leaders from the 18 countries approved at this year's meetings. Mr Banhan said APEC should adapt various systems that already exist among the ASEAN countries — the ASEAN Food Security Reserve and Early Warning System and the ASEAN Emergency Petroleum Sharing Scheme.

He also said economic growth in developing countries can lead to a widening gap between centres of economic growth and surrounding areas.

APEC members must take care not to worsen inequalities, not only within individual countries but between members, in order to avoid future social and political problems in the future.

He said: "We must be aware of this potential danger and try to address the problem before it arises."

PRC Expresses First Interest in Hosting APEC

OW1911143595 Tokyo KYODO in English 1416 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — China on Sunday [19 November] expressed for the first time interest in hosting the annual talks of ministers and leaders of the 18-member Asia-Pacific Economic Cooperation (APEC) forum.

"When a certain time has come, China will also host minister-level talks or a meeting such as the ongoing APEC leaders' meeting," Chinese Foreign Minister Qian Qichen told reporters at a news conference in Osaka.

Informed sources said there is a strong possibility that China will host the APEC meeting in the year 2001. Qian said in case of such a meeting in Mainland China, Taiwan's representatives would be treated equally with those from other APEC member economies.

He stressed, however, that Beijing will not allow any Taiwanese participants above the economic minister level and also expects the Philippines, which will host next year's APEC summit, to respect that stance.

Meanwhile, Taiwan's representative at the APEC summit, Ku Cheng-fu, also told reporters that Taiwan definitely has the capability to host an APEC meet.

Ku sat in at the APEC summit in Osaka for Taiwanese President Li Teng-hui, who was not invited due to protest from China.

China considers Taiwan a renegade province and opposes the island being represented abroad by a head of government or state.

Murayama Issues Statement on Results of APEC

OW1911132595 Tokyo NHK General Television Network in Japanese 0900 GMT 19 Nov 95

[Statement by Prime Minister Tomiichi Murayama at his post-APEC news conference in Osaka — live]

[FBIS Translated Text] Thank you very much for joining us. As prefaced by the moderator, I will first issue a statement, and then answer your questions.

The APEC [Asia-Pacific Economic Cooperation] conference in Osaka has historical significance in the sense that it shifted APEC from a visionary stage to an action stage. Pursuing actions to achieve the future prosperity of the Asia-Pacific region as the main subject of the conference, we, the APEC leaders, carried on wide-ranging discussions from a long-term viewpoint, and we worked out a declaration for action. I believe APEC leaders confirmed with the declaration their common perception of APEC's future tasks.

As the chair of the conference, Japan tried to take the leadership by carefully listening to the various opinions of individual members with different economic and political backgrounds, and by carrying on thorough discussions. This stance was highly rated by other members.

Our Action Agenda shows comprehensive and definite measures for achieving the political goals set in Bogor, and we proudly introduced the agenda to the international community. As an APEC member, Japan will consistently carry it out.

In the meetings, APEC leaders spoke about their experiences of voluntary liberalization and economic reform. The Action Agenda is based on existing trends of voluntary liberalization, and it was hammered out as a proposal for Asian-Pacific countries' unique attempt to combine voluntary and coordinated actions. Our goal cannot be achieved without individual members' constant efforts and close consultations. However, I believe this is the only practical and effective way to liberalize the diversified region.

One of the attendees stressed that economic and technological cooperation is as important as the Action Agenda's two main goals: liberalization and facilitation. In response, I noted the importance of a well-balanced implementation of the three goals.

In the meetings, APEC leaders hammered out initial liberalization plans as definite measures for demonstrating their resolve to seriously work on liberalization in APEC. I think these voluntary plans are very helpful for reinforcing the reliability of APEC liberalization efforts. APEC members highly rated Japan's initial plan as a substantial and extensive proposal.

In connection with APEC's support for liberalization and facilitation efforts by member nations, I expressed my hope for the utilization of Japan's Partners for Progress [PFP] proposal as the framework for economic and technological cooperation. Moreover, the members welcomed my offer to contribute a maximum of 10 billion yen to the APEC fund over the next several years as necessary for enriching the PFP and other multinational projects related to the liberalization and facilitation of trade and investments. I expressed my hope for other members' positive cooperation in line with this.

An attendee noted that, to achieve further prosperity, APEC should deal with some problems we have not appropriately handled so far. In this regard, I noted the rapid economic and population growth in the region that has pushed up demand for foodstuffs and energy resources can have an adverse impact on the region's environment. The members supported my proposal for future APEC discussions on this issue.

In today's meeting, Canada, New Zealand, and some other nations proposed trade ministers' talks early next year, prior to the 1996 WTO [World Trade Organization] ministerial talks in Singapore. This proposal was supported by several members, including the United States. A definite schedule and agenda for the trade ministers' talks will be considered at the working levels, in view of the agenda for APEC ministerial talks and the informal summit in the Philippines in the fall of 1996.

Taking into account the significance of the informal APEC summit talks, we agreed to hold the fourth informal summit in the Philippines next year.

Finally, I would like to express my sincere appreciation for the people of Osaka, who helped a great deal with the success of the conference. That is about it.

Keating Discusses APEC Economic Integration

BK2011091295 Melbourne Radio Australia in English 0630 GMT 20 Nov 95

[From the "International Report" program]

[FBIS Transcribed Text] First to the conclusion of the 18-member APEC [Asia-Pacific Economic Cooperation] Summit in Osaka. The APEC leaders have agreed on a start-up date for bringing down trade barriers and reaffirm the deadline to achieve free trade and investment in the region. Australian Prime Minister Paul Keating has described the outcome of this, the first such summit, as solid and spells out the means of achieving economic integration of the region.

Following the summit, our correspondent John Shovelan caught up with Mr. Keating and began by asking him what this APEC deal will mean for Australia.

[Begin recording] [Keating] It means that Australia is now for sure and for certain integrated into the fastest growing region in the world where before we were just a country trading with this region, after Indonesia's Bogor Declaration last year and now the affirmation of it by this Action Agenda here in Osaka showing the means of economic integration. [sentence as heard] What that means for Australia is that we are part of a big trading area for the first time in our history.

[Shovelan] Japan wants it to be flexible. Malaysia wants it to be voluntary. We want a firm commitment. There seems to be conflicting approaches to exactly where we are going.

[Keating] Not after today there's not. What the declaration and the Action Agenda require is that ministers will start to put together their ... [changes thought] well, let me read from it. Each APEC economy will begin to develop its action plan immediately after the Osaka leaders' meeting. This is for each individual country's plan for next year in the Philippines. Overall implementation of the action plans will begin as of January 1997. You can't get more specific than that. And of course the down payments, what we have done here today is put a very big down payment on the Uruguay Round outcomes. So, as a group of countries, we are advancing, as distinct from the Europeans and others, we are advancing the whole of the Uruguay-WTO [World Trade Organization] Round. And there are countries here today like Indonesia, China, I believe Japan put very large deregulatory trade liberalizing packages down and so too is Australia.

[Shovelan] I would like to ask about a couple of the personalities at the meeting; one that wasn't there — Bill Clinton, and Dr. Mahathir. Is Dr. Mahathir still recalcitrant about APEC?

[Keating] You had better put focus on the big issues. I mean, you can't get an Australian journalist off an old slogan. Here you are faced with one of the great postwar trade changes and you are asking me about something Dr. Mahathir said two years ago. Dr. Mahathir signed up today to this process, to the Action Agenda and the Leaders' Declaration, and the atmosphere of trust and goodwill and, you know, general good-naturedness amongst the leaders is what is driving this process. The problem about trade and economic integration in the past is that the people involved had been trade ministers or officials and try as they will they can't get the authority that heads of government or leaders have. So, to get the leadership at the heads of government and heads of state level of the whole Pacific rim and get them together in a very friendly environment driving a process of this quality is what has made all the difference and it gives the authority to the trade ministers who give the authority to the bureaucracy — to the trade and foreign affairs departments — and as a consequence the Asia-Pacific will lead the world in open markets and that's why already over half the world's production is in the Asia-Pacific. In 10 years time it will be 60 odd percent of the world's production. And if when this is implemented by 2010 and 2020, 75 percent of the world's production will be in our backyard. [end recording]

Kim Yong-sam Gives Speech at APEC Meeting

SK2111084495 Seoul THE KOREA TIMES (SUPPLEMENT) in English 21 Nov 95 p 2

[Speech by ROK President Kim Yong-sam at the APEC meeting in Osaka on 19 November: "APEC Must Diversify in Strengthening Unity"]

[FBIS Transcribed Text] First of all, I would like to express my deep respect for the determined efforts shown by the APEC leaders to promote the overall prosperity of the Asia-Pacific region.

I am convinced that the "Action Agenda" for the liberalization of trade and investment to be adopted at this Osaka meeting will be a milestone not only for the prosperity of the region but also for the development of the world economy.

The world is now stepping up its efforts to establish a new economic order that could transcend national borders. This order is to be built on freedom, competition and cooperation.

I am also convinced that cooperation among the APEC leaders is the engine that is pulling the world in this direction. For we are the representatives of the Asia-Pacific region which is brimming with vitality and full of potential.

I would like to make several practical proposals here in order to help push liberalization and economic cooperation for the APEC region.

First, I would like to stress here once again the values and ideals of APEC. Balanced development based on full scale liberalization of trade and investment will result in the co- prosperity of all APEC members.

There is great diversity among the APEC members in terms of economic development and historical and cultural background. During the process of liberalization, therefore, the APEC must accept such diversity as a fact.

In that way, APEC solidarity can be strengthened further and efforts for liberalization can reap bountiful fruit.

Second, we have to pay much more attention to the vitalization of economic cooperation among APEC members. While respecting the diversity of APEC member nations, we should work to resolve short- term difficulties arising from the liberalization process.

We have to direct our efforts to promoting material, personnel, information and technological exchanges among the APEC members.

In the two years since the Seattle APEC Leaders Meeting, we have made many constructive proposals aimed at strengthening regional economic cooperation; and we have carried them out.

In the Republic of Korea, we successfully held the APEC Ministerial Meeting on the Telecommunications and Information Industry last May. We will not spare our efforts in carrying out the tasks for economic cooperation which the APEC will push in the future.

Third, if the APEC is to liberalize trade and investment, all of its members have to faithfully carry out whatever they have voluntarily promised. We believe this point should be emphasized.

Lower Tariffs, Ease Regulations

From this point of view, I attach great significance to the first tangible measures voluntarily submitted by each APEC member.

The Republic of Korea Government, as part of its early-phase measures, proposed to liberalize foreign investment, lower tariffs and ease regulations.

For example, South Korea will open more than 200 businesses to foreign investment between 1996 and 2000. It will also amend various laws that curb free competition, and drastically simplify custom clearance procedures for exports and imports.

We have already changed some laws and opened the market for government supplies. Legislation aimed at intellectual properties will be completed within this years, ahead of schedule.

Immediately following the Bogor APEC meeting, I declared a "segyehwa" or globalization, policy so that the Republic of Korea could more effectively carry out its duties and responsibilities as a member of the international community.

The globalization we are pursuing is intended to rationalize the people's way of thinking, customs and institutions through openness and reform in the political, economic, social cultural and other areas. By globalizing these fields, South Korea hopes to contribute not only to its own but the world's development.

In accordance with its segyehwa policy, south Korea will, of course, play a leading role in the liberalization of trade and investment. It will also actively support well-being and balanced development of the APEC region.

The foundation for APEC was laid at the Seattle meeting, initiated by U.S. President Bill Clinton. If we say its pillars were raised at the Bogor, here at the Osaka meeting, we are now putting up the roof. Thus the basic framework of the APEC as a regional cooperative organization has been built.

Let us do our best to complete our "common house" for the Asia Pacific region's overall prosperity.

APEC Urged To Study Money Market Speculation

BK2111081295 Kuala Lumpur THE STAR in English 21 Nov 95

[Report by Charles Chan and Harpajan Singh — received via Internet]

[FBIS Transcribed Text] Osaka — Malaysia has received broad-based support from Apec [Asia-Pacific Economic Cooperation] leaders for the forum to look beyond trade liberalisation and address the problem of money market speculation which has wreaked havoc in member economies.

Datuk Sri Dr. Mahathir Mohamed raised the issue in his address at the Apec leaders meeting yesterday and secured the agreement of several of them that Apec should explore ways to regulate market fluctuations.

It is understood that the issue will be discussed at next year's Apec meeting in the Philippines.

The Prime Minister told a press conference later that since the adoption of the floating rate, there had been almost anarchy in the money market with currency values fluctuating "without rhyme or reason."

"And the fact that the speculators who are big players have come in has resulted in some currencies suddenly depreciating, causing economic havoc in the countries.

"We need to have some way of regulating the exchange rate based on factors which have to be determined to enable trade without a lot of uncertainties.

"I have no idea how we are going to regulate it. Obviously we cannot go back to the gold standard. We cannot have a fix exchange rate because everybody feels it should not be so.

"But still Apec members feel there should be some discussion among financial experts of Apec countries to find some solution to the problem," he said.

Dr. Mahathir said he raised the issue because Malaysia felt Apec was about economic co-operation and should not be confined to mere trade liberalisation and opening of markets.

He said he touched on the balance of payment problems faced by countries which could affect the confidence of trading partners and cited Malaysia's case when its yen debts ballooned following appreciation of the yen as a result of Group of Seven's Plaza Accord.

Mahathir Praises Japan's Leadership of Forum

OW1911142795 Tokyo KYODO in English 1346 GMT 19 Nov 95

[By Siti Rahil]

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Malaysian Prime Minister Mahathir Mohamed on Sunday [19 November] praised Japan's leadership of the Asia-Pacific Economic Cooperation (APEC) forum this year, saying Japanese Prime Minister Tomiichi Murayama's chairmanship "was very fair and very effective."

"All of us were able to have our say and as far as I'm concerned, I'm very satisfied with it and I think Japan will continue to play a very leading role in APEC," he told a news conference soon after the APEC informal summit in the western Japan city.

He also promised to attend next year's APEC summit in Subic, the Philippines, saying, "I give my word."

Mahathir had boycotted the first APEC summit in the U.S. city of Seattle in 1993 due to his opposition to what he perceives as U.S. attempts to dominate APEC, and delayed announcing his decision to attend this year's Osaka summit until the last minute.

He urged APEC to have regular meetings among experts to discuss ways to "find some solution" to control the fluctuations in the international foreign exchange market, which have wreaked economic havoc in some member economies.

"APEC is about economic cooperation...and it should not be confined to mere trade liberalization or opening up of markets. It should consider other economic matters," he said.

"Certainly the fluctuation in the values of currencies affects trade and economic growth and, therefore, these subjects should come within the ambit of" APEC.

He said he had expressed concern during the one-day summit about the balance of payments problems of some APEC members, in particular the need to correct Malaysia's own balance of payments deficit with Japan, which is caused by the rising yen.

Commenting on the principles for APEC trade and investment liberalization and facilitation, which are enshrined in the Osaka action agenda adopted by APEC leaders Sunday, he said there is no difference in interpretation of principles such as voluntary and nonbinding liberalization among the 18 APEC members.

According to Mahathir, the reason the action agenda is based on flexible and voluntary liberalization is that many APEC member economies "have reservations about fixing the time when they should open up their markets."

Asked if APEC should also discuss security issues, Mahathir said that "APEC should not be concerned with security matters" because "we don't think we should identify future enemies" as this would create tension in the region.

He brushed off Japan's precondition that Australia and New Zealand be allowed to join the summit before Japan would be willing to join the controversial East Asian Economic Caucus (EAEC).

Those two countries do not qualify because EAEC is a "geographical grouping" and Australia and New Zealand "are not part of East Asia," he stressed.

"If Japan puts down that condition, then of course it is an indication that Japan is not interested in joining the EAEC, in which case of course we need to have to go ahead without Japan," Mahathir said.

That would be a pity because "we would certainly love to have Japan as a member of the EAEC," he said.

He expressed regret that U.S. President Bill Clinton was absent from the summit, saying that if Clinton "had been present, the sense of authority would have been greater."

He added, however, that Clinton's absence does not make much difference because U.S. Vice President Al Gore, who attended the summit in place of Clinton, had been given a full mandate.

Suharto Expresses 'Concern' Over Trade Disputes

BK1911145295 Jakarta ANTARA in Indonesian 1322 GMT 19 Nov 95

[FBIS Translated Excerpt] Osaka 19 Nov (ANTARA) — President Suharto expressed concern over trade disputes in APEC [Asia-Pacific Economic Cooperation] and said there will be retaliation and protection if the disputes are allowed to continue.

"The president expressed his concern because the most serious trade disputes among the APEC economies have taken place since the 1994 Bogor summit," Minister and State Secretary Murdiono told reporters in Osaka on Sunday evening.

Murdiono briefed reporters on matters raised by President Suharto during the APEC summit in Osaka on Sunday (19 November).

The head of state told other APEC economic leaders that dispute mediation services were indeed necessary to settle the disputes.

The dispute mediation services must be voluntary, nonbinding, and conducted through ways known to disputing parties. Their rights and obligations as signatories to the World Trade Organization [WTO] should not be affected.

"Dispute mediation services must be voluntary and nonbinding to supplement WTO's dispute settlement mechanism," Murdiono said.

The president brought up the U.S. dollar's continued fluctuation against other currencies, particularly the yen, which affects other countries.

"Indonesia hopes that joint steps by the United States and Japan to settle the problem will continue," Murdiono said.

The head of state noted the uncertainties of the flow of international capital into APEC.

"The president reminded all APEC members to take cautious, wise, and clear steps to ensure that the uncertainties will not affect APEC," Murdiono said.

He said Indonesia wanted the Action Agenda adopted by each member to be discussed at the ministerial meeting in the Philippines in early 1996. The Action Agenda is scheduled to be implemented in 1997. [passage omitted]

Symposium on Boosting APEC Productivity Opens

OW2011091595 Tokyo KYODO in English
0724 GMT 20 Nov 95

[FBIS Transcribed Text] Okayama, Japan, Nov. 20 KYODO — A symposium on boosting productivity in economies of the Asia-Pacific Economic Cooperation (APEC) forum opened in this western Japanese city Monday [20 November].

Representatives from the 18 APEC member economies and from outside the forum are taking part in the five-day session sponsored by the Asia Productivity Organization (APO).

The delegates will make an inspection tour of industrial and technological research institutes and private enterprises in Okayama Prefecture.

They will also attend lecture meetings with representatives from local economic organizations.

The meeting is the fifth in a series held by the APO periodically in Japan since 1988.

Singapore's Goh Views APEC Summit, Trade

OW2011045295 Tokyo KYODO in English
0426 GMT 20 Nov 95

[Report by Siti Rahil]

[FBIS Transcribed Text] Osaka, Nov. 20 KYODO — Singapore's Prime Minister Goh Chok Tong said Monday [20 November] free trade does not mean zero tariffs and stressed the "voluntary" nature of APEC trade liberalization efforts, adding that APEC is not a negotiating body but a loose consultative forum.

"When economies and people in the business in general talk about free trade, we don't mean zero tariffs. It's not possible. Free trade means freer trade," Goh told a news conference a day after the Asia-Pacific Economic Cooperation (APEC) forum informal summit.

He said APEC's trade liberalization is "a venture which all of us join willingly, and when we meet we just volunteer what tariffs we want to cut."

"There is some persuasion and there is perhaps some pressure even, but you can't force a country to take certain steps if that country doesn't want to."

Goh hailed the Osaka summit as "a huge success" and said he believed all the leaders were happy with the outcome of the meeting, which adopted an "action agenda" for implementing APEC's vision of free trade and investment by 2010 for developed economies and 2020 for developing economies.

Goh, whose small island nation is one of the staunchest proponents of free trade, gave a realistic definition of free trade, which is more in line with the views shared by most other APEC member economies.

"We leave Osaka very impressed by the leadership of the Japanese Government, in particular the leadership of Prime Minister Murayama. He was able to steer the meeting through very smoothly," Goh said.

He said that when APEC leaders met in Seattle, in the United States in 1993, they decided on "climbing the mountain of free trade," while in Bogor, Indonesia, last year, they agreed on "the start date to climb the mountain and the end date when we must complete the mission."

"In Osaka, we have set up the base camps, and in next year's summit in the Philippines "we will be embarking on the climb and making progress towards this mountain peak."

In a bid to set the lead in world trade liberalization, Goh said APEC leaders agreed at their summit to have an APEC trade ministers' meeting in June, where the ministers would discuss bolder steps to be taken before the first ministerial meeting of the World Trade Organization (WTO) in December next year.

He also added that he believes the tradition of holding an APEC summit annually in the last three years should continue at least for the next five years.

Goh said he opposes the immediate expansion of APEC membership when the moratorium ends next year, saying new members could slow down APEC's current effort to liberalize and facilitate trade and investment.

He said APEC should not become a forum for discussions on security issues for the time being, because APEC leaders need to first get to know one another and concentrate on trade liberalization.

But he said, "I'm sure that sometime in the future when this particular mission has been accomplished, we will then look for new missions and the new mission in my own view could include a discussion on security and political matters."

Emphasizes APEC 'Shared Goal'

BK2011113395 Singapore Radio Corporation of Singapore in English 1000 GMT 20 Nov 95

[FBIS Transcribed Text] The strength of APEC [Asia-Pacific Economic Cooperation] lies in its members' shared goal of delivering a better life for their people by having a competitive economy.

Prime Minister Goh Chok Tong made the point at a news conference in Japan this morning.

Wong Shoo How with the details from Osaka:

[Begin recording] [Wong] Mr. Goh stressed that to have an efficient economy, countries must allow the free flow of goods and services. He explained further:

[Goh] To have an efficient economy, you have got to allow goods and services to come into your economy. You have got this competition against all local enterprises.

In other words, the days of protection are over. Leaders have seen how command economies, very regulated economies have not done their rewards compared to free economies like Hong Kong, Singapore, Malaysia. [words indistinct] and there are moves towards opening their economies.

[Wong] Mr. Goh also shed his views on possible problem areas in APEC in the future.

[Goh] This is in the question of flexibility in implementation of certain sectors [words indistinct]. Those countries have made a point that this should be flexible, be voluntary, and be nonbinding. So, I believe that there are some specific sectors. For example, agriculture or financial services. One country put their reservation to go along.

[Wong] On Singapore's role in APEC, Mr. Goh added that Singapore will help and contribute to any area. They will move the APEC fastest forward.

[Goh] And I will play the center as I have done, talking to certain leaders before the meeting and also during the meeting itself as to the problems we faced as to the direction we must go and how we can overcome the [word indistinct] together.

[Wong] While leaders are leaving Osaka for home, many are already starting preparations for the next summit in the Philippines.

Here is Mr. Goh's analogy of mountain climbing. In Osaka, the road map was designed. In Manila, APEC members will embark on the process of climbing the mountain of free trade.

Wong Shoo How, RCS News, in Osaka, Japan. [end recording]

ESCAP Officials Agree on Need To Reform

BK2111051595 Bangkok THE NATION in English 21 Nov 95 p A2

[Unattributed report]

[FBIS Transcribed Text] Senior officials from the UN Economic and Social Commission for Asia and the Pacific (ESCAP) agree the agency needs reform but say that a meeting to be held today is not the place to discuss budget cuts.

The US government has proposed cutting ESCAP's budget in half over the next four years in order to "better serve the interests of the people it was created to assist", according to documents leaked to the press.

The proposal is part of a broader push by some countries — in particular the US but also the Russian Federation — to streamline the UN by cutting back on the activities of its five regional commissions, which are said to duplicate the work of other UN agencies.

Developing countries have been generally more supportive of the regional commissions. At budgetary talks currently taking place in New York, China and Thailand have been particularly outspoken on the need to strengthen ESCAP.

UN Secretary General Butrus Butrus-Ghali has proposed a budget of $61.6 million (Bt1.54 billion) for the years 1996-7, an increase of $287,000 (Bt7.2 million) over the 1994-5 period. After adjusting for inflation and currency exchange fluctuations, the ESCAP budget, if approved, would total $67.7 million (Bt1.69 billion).

The budget will eventually have to be approved by the UN General Assembly.

The US documents list a number of "talking points" that will be raised at a meeting of the Advisory Committee of Permanent Representatives (ACPR) of ESCAP to be held today.

"Another idea to consider would be removing ESCAP funding and that of the other regional commissions from the regular UN budget and converting the commissions into voluntary organizations funded by the contributions of members," it states.

Asked how he intends to respond to such proposals, ESCAP Executive Secretary Adrianus Mooy said, "We will thank them for the paper and reply that budget matters are dealt with in New York".

"Any organization from time to time needs to make adjustments," said Mooy, formerly Indonesia's ambassador to the European Union. "We have been reviewing our work programme."

As an example of reform, Mooy pointed out that annual meetings of the Commission, which used to last 12 days, now last only 7-8 days. The US suggests the Commission should only meet every other year.

"The main activities of the organization are hosting meetings — at last count over 200 per year — and producing documents, many of which do not seem to produce much value added," the US position paper states.

"The UN is a forum for sharing experiences and concerns, " Mooy said. " One of our roles is to provide a forum for dialogue."

"Nobody denies the fact that the UN needs to be reformed if it is to meet the demands of the world in the 21st century," said Khaled Khali, the director of the UN Information Services at ESCAP. "But this should not be linked to payment. You can't say, 'If you don't reform, we won't pay'."

Khali pointed out that the UN membership has grown from 50 countries in 1945 to 185 countries today. Boutros-Ghali has met with ESCAP officials and told them of the need to become more efficient, he said.

"The big problem is duplication of services," he added.

At budgetary talks in New York, US representatives said the regional commissions "lacked unique and compelling missions, [and carry out] activities that often duplicate those of other international organizations," according to UN documents. "Significant savings could be found in servicing conferences, hiring consultants and staff travel."

Speaking on ESCAP specifically, US representative James Godley said that much of its activities duplicated those of the UN Conference on Trade and Development.

KEDO 'Tentatively' Decides on Reactor Lot

SK1911112495 Seoul CHOSON ILBO in Korean 19 Nov 95 p 2

[Report by Kim Yon-kwang]

[FBIS Translated Text] It was learned on 18 November that as a result of an overall assessment on two surveys in the Sinpo, South Hamyong Province area to select the lot for the construction of the light-water reactor, the Korean Peninsula Energy Development Organization [KEDO] has tentatively decided to pick a new spot for the site situated about 1.5 kilometers from the seashore.

On this day, a KEDO official revealed: "It was confirmed that the new spot — Kangsan-ri, Sinpo city — which is about 1.5 kilometers away from the seashore, is more conveniently located than the place the former Soviet Union had promoted as the construction site for the light-water reactor."

This official also revealed: "The third lot survey team will be dispatched sometime next month. A full-scale survey of the geological features of the light-water reactor lot will be conducted through drilling work. Based on this, a final decision will be made on the exact location. Then, a detailed and precise analysis will be made and will be directly reflected in its design."

Since the light-water reactor construction site will be moved closer to the seashore by about 1.5 kilometers, it will be easier to bring in cooling water to the nuclear power plant, and it seems that expenses in transporting equipment for construction and parts for the light-water reactor to the construction site will be greatly reduced.

ASEAN Officials Reaffirm Free Ship Passage

BK2211031195 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 22 Nov 95

[FBIS Translated Text] The ASEAN working group on the ZOPFAN [Zone of Peace, Freedom, and Neutrality] concept has agreed to respect free passage as guaranteed under international law.

Arizal Effendi, director for international agreements of the Foreign Affairs Department, said after the ASEAN working group meeting in Jakarta ended last night that the participants had agreed that the ZOPFAN concept would not threaten free passage. International law governs free passage and transit through various international areas.

The ZOPFAN agreement will be on the agenda of the ASEAN heads of state meeting, to include Burma, Laos, and Cambodia, which will be held during the ASEAN summit in Bangkok, Thailand in December 1995.

He said ASEAN countries could not force a ship passing through their waters to issue a statement that they do not carry nuclear substances.

ASEAN Approves Industrial Projects Pact

BK1711054195 Manila MANILA BULLETIN in English 13 Nov 95 p B-12

[Report by Bernie A. Cahiles]

[FBIS Transcribed Text] Members of the Association of Southeast Asian Nations (ASEAN) have approved a new Asean Industrial Cooperative Projects Agreement taking into the fold all existing industrial cooperation schemes.

Trade and Industry Assistant Secretary Edsel T. Custodio said the new agreement approved by the heads of state of the seven-member regional block during the Bangkok Summit this December. [sentence as published]

Custodio explained the new agreement will incorporate all existing projects such as the Brand-to-brand Complementation (BBC), the Asean Industrial Joint Venture (AIJV) and the Asean Industrial Projects (AIP).

He explained the new agreement has done away with the margin of preference (MOP) or tariff discounts which is 50 percent for the BBC products and 90 percent for the AIJV items. Instead the new program would phase in the accelerated 0-5 percent tariff rates as contained under the Common Effective Preferential Tariff (CEPT), scheme.

In addition, Custodio said the new program will have two major new features on local content and nationality requirements.

On local content requirement, Custodio said, projects applying under the new program would be required 40 percent Asean content, which means raw materials sourced from Asean.

On the nationality requirement, a project must meet a 60 percent Asean equity participation, meaning an Asean company.

Custodio explained that existing industrial cooperation projects under the BBC, AIJV or AIP have to choose to go into the new program or continue under the old program.

However, these existing projects will have to hurdle the nationality and local content requirements imposed under the new program.

At present, the BBC on automotive parts are wholly-owned Japanese complementation ventures therefore would not qualify under the nationality requirement of the new program.

On the other hand, Custodio said, the new program has paved the way for a wider Asean base cooperation as this would largely promote Asean interests.

The new program was also formulated to make the region's industrial cooperation schemes relevant under the Asean Free Trade Area (AFTA).

AFTA, which envisioned to liberalize trading within the region, is being implemented through the CEPT.

Originally, the CEPT sought to attain a uniform 0-5 percent tariff on all manufactured goods traded within the region by the year 2008.

This target date was, however, accelerated to 2003 to make it more relevant in light of the liberalization under the World Trade Organization and by the other regional groupings.

Japan

'Source' Says Murayama May Visit U.S. in Jan

OW2211024895 Tokyo KYODO in English
0240 GMT 22 Nov 95

[FBIS Transcribed Text] Washington, Nov. 21 KYODO — Prime Minister Tomiichi Murayama may visit the United States in January in a bid to realize the issuance of a joint security statement should difficulty arise in rescheduling President Bill Clinton's postponed visit to Tokyo, a Japanese diplomatic source said Tuesday [21 November].

Clinton on Nov. 15 canceled his trip to Japan where he was to attend the Asia-Pacific Economic Cooperation (APEC) forum in Osaka and pay a state visit to Tokyo.

In Tokyo, Clinton was to issue a joint statement with Murayama after yearlong preparations by the two governments to reaffirm the bilateral security alliance and the recent strains in their ties.

The rape of a schoolgirl in Okinawa in early September, for which three U.S. servicemen are now on trial, has inflamed sentiment in Japan against the U.S. military presence.

The source said U.S. Vice President Al Gore, who visited Japan in place of Clinton, told Murayama that Washington intends to reschedule the President's visit as soon as the White House resolves the budget dispute with the Republican-controlled Congress.

Murayama recognized the seriousness of the U.S. domestic situation, and accepted the White House plan to reschedule the trip, the source said.

Japanese Ambassador Takakazu Kuriyama told reporters, however, "We cannot say that Clinton's visit in January is possible." He cited the lingering uncertainties over the U.S. budget dispute after the Dec. 15 expiration of another stopgap budget.

Clinton and Congress agreed over the weekend on the second stopgap budget, thus allowing the government to resume operations after a partial shutdown.

After the temporary budget expires in December, however, the budget debate is expected to surface again because differences remain over full budget bills for the current fiscal year and the budget-balancing plans.

In Tokyo, a top Foreign Ministry official said Japan and the U.S. are currently trying to reschedule the presidential trip but ruled out the possibility of a visit by Murayama to the U.S. in January.

"I don't think it is likely," the official said.

The official said although it is important to issue the joint bilateral security declaration as early as possible, it is Clinton's turn to come to Japan.

Murayama Begins Legal Process for Land Lease

OW2211043195 Tokyo KYODO in English
0415 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — Prime Minister Tomiichi Murayama took the first step Wednesday [22 November] in the legal process to force residents in Okinawa Prefecture to renew the leases of their land with the U.S. military.

Chief Cabinet Secretary Koken Nosaka told a news conference that the premier sent to Okinawa Gov. Masahide Ota a recommendation that the governor cooperate with the central government in having the landowners agree to the continued rental of their land.

"The recommendation was sent out to the Okinawa governor at 11 A.M. today," the chief government spokesman said.

With little possibility of Ota's acquiescing, a long administrative process is likely before the compulsory leasing is effected.

Ota has refused to cooperate with the national government to enforce leasing of the land because of outrage in Okinawa over the rape of a local schoolgirl in September, for which three U.S. servicemen are on trial.

The rape has intensified longstanding antagonism to the heavy U.S. military presence on the island, and Okinawans are demanding that the rest of Japan share more of the burden.

Okinawa, about 1,600 kilometers southwest of Tokyo, is home to some 75 percent of U.S. military installations in Japan.

In a meeting with Ota on Friday, Murayama will brief the governor on his talks with U.S. Vice President Al Gore on Sunday and the central government's efforts to reconfigure and reduce U.S. Bases and troops in Okinawa, Nosaka said.

At Wednesday's plenary session of the House of Councillors, Murayama said his initiation of legal action is an obligation under Japan-U.S. security arrangements.

Murayama 'May Visit' Okinawa on U.S. Base Issue

OW2211095995 Tokyo KYODO in English
0933 GMT 22 Nov 95

[FBIS Transcribed Excerpt] Washington, Nov 21 KYODO — [passage omitted covered by referent item] Nosaka told reporters later that Murayama may visit

Okinawa himself to seek understanding of his decision to take legal action on the issue of land leases if there is a request in his meeting with Ota on Friday [24 November].

"It is necessary to give it thought if such a request comes up in the Friday meeting," he said at a news conference.

But the spokesman also acknowledged the premier has no immediate plan to visit the island prefecture.

Meanwhile, a landowner in Okinawa who has refused to lease his land for use by U.S. Forces gave a renewed indication of his position.

Shoichi Chibana, 47, submitted a document to the Defense Facilities Administration agency's Naha Bureau that clarifies his intention to refuse to renew the land lease contract with the government.

Chibana, whose forced contract expires in March 1996, is one of the 35 landowners who have rejected a contract.

The document says "I will not conclude a lease contract for my land because I do not want my land to be used for something that could lead to a war."

He demands that all the facilities in the base on his land be removed with the expiry of the current contract at the end of March.

Live-Fire Exercises Resume; Reaction Noted

OW2111131895 Tokyo KYODO in English 1253 GMT 21 Nov 95

[FBIS Transcribed Text] Naha, Japan, Nov. 21 KYODO — The U.S. Marine Corps stationed on Okinawa has decided to conduct a controversial live firing exercise from Nov. 28 to Dec. 1, the first such exercise since the September rape of a young local girl for which three U.S. personnel are now on trial, the Okinawa Prefectural Government said Tuesday [21 November].

The local government said it received notice the same day that the U.S. Marines has decided to conduct the four-day practice session at Camp Hansen.

The Marines conduct live shooting practice with howitzers over Highway 104, which runs through the camp, for about 35 days in total every year. The highway is closed during the drill.

The local residents and governments have been calling for the abolition of the practice, saying it causes damage to the environment and that stray shells could hit nearby houses.

The last drill was planned from Sept. 18 to 21, but was canceled to show the U.S. military's regret over the rape case which occurred Sept. 4.

Yoichi Iha, secretary general of a local labor union, said he was enraged to hear the decision by the Marines to resume the drill, "as if it has already forgotten the words of apology" it made after the rape.

DA's Group To Coordinate With Action Committee

OW2211112595 Tokyo MAINICHI SHIMBUN in Japanese 21 Nov 95 Morning Edition p 2

[FBIS Translated Text] The first session of the special Japan-U.S. Action Committee was held on 20 November to discuss the realignment, consolidation, and reduction in U.S. military facilities and sites in Okinawa. At the meeting, the two sides agreed to: 1) consider measures to trim, consolidate, and cut U.S. military facilities and sites that are consistent with the goals of the Japan-U.S. security arrangement, while taking into consideration the fact that military bases are concentrated in Okinawa; 2) study firm proposals to ease local residents' concern, including complaints about training, noise, and safety, resulting from the existence of the bases; and 3) to draw a conclusion within a year. Under the committee, a working panel will be set up to discuss concrete plans to streamline and cut the base facilities and sites. The committee is considering letting the panel work out an interim report within six months if work goes well.

In this connection, the Defense Agency [DA] has set up its own "Special Committee on U.S. Military Bases in Japan" and named DA Administrative Vice Minister Naoaki Murata as chairman. The committee plans to "study measures with all its energy" (according to Vice Minister Murata) while coordinating views with the United States. However, there are anxious voices that "it is uncertain how much help the United States will be." This is because the Japanese Government originally wanted to give impetus to its efforts to settle the base issues by taking advantage of a joint security statement which was to be announced by Prime Minister Tomiichi Murayama and President Clinton.

The DA's special committee will be composed of the Vice Minister; bureau chief-level officials, including the director of the secretariat and defense policy bureau chief and a counselor in charge of base facilities; chiefs of staff; Joint Staff Council chairman; and director general of the Defense Facilities Administration Agency [DFAA] and other DFAA officials. Under the committee, the DA plans to set up a working group while designating the Defense Policy Vision as an administrative office of the committee. The DA plans to give the special committee a role in following up the Japan-U.S. Special Action Committee. With the working group examining the realities of the U.S. military facilities, including their function and operation, the DA plans to reflect Japanese Government's proposals in action committee discussions.

On the action committee's plans to draw a conclusion within a year, the DA sees that "it would fail to meet the deadline unless certain conclusions are reached by May, including a decision on the return of bases other than those in question" (according to a DA official).

DFAA Chief Places Hope in Consultative Body

OW2111131995 Naha RYUKYU SHIMPO in Japanese 19 Nov 95 Morning Edition p 2

[FBIS Translated Text] Director General Masuo Morotomi of the Defense Facilities Administration Agency [DFAA], who made an observation tour of military bases on Okinawa, held a news conference at the Naha Defense Facilities Administration Bureau [DFAB] on the morning of 17 November.

On the issue of relocating Naha Port, which has been shelved for a long time, he indicated his intention to seek a way to settle the issue in sessions of the new joint central government and Okinawa Prefecture consultative body. His remarks have brought into sharp relief the differences in view between the central government and Okinawa, because top leaders in Okinawa are wary the new organ may become an opportunity for entangling Okinawa in the issue of relocating Naha Port.

Meanwhile, on the issue of the full return of the land being used for Marine Corps Air Station [MCAS] Futenma, Morotomi said: "This issue will also be subject to discussion at the new consultation body because it is included in 18 (actually seven) [parenthetical note as published] pending items that are to be continuously studied by the government."

Morotomi, who came to Okinawa for the first time after taking over as chief of the DFAA, referred to three pending items and said "we have to proceed with negotiations in all sincerity while listening to the opinions of the prefectural office at meetings of the consultation body, as well as listening to the opinions of Urasoe city and Ginoza village."

With regard to administrative procedures for the renewal of land lease contracts for more than 2,900 plots — one of which will expire in March 1996 and the others in May 1997 — the DFAA chief said: "We will make every effort to implement the government's duty to provide land under the Japan-U.S. security treaty, while seeking the understanding of those concerned." His comments indicated a cautious attitude toward making special legislation or taking emergency measures within the existing law.

He referred to former DFAA chief Hoshuyama's remarks at a session of the lower house cabinet committee on 19 October, when he said: "It takes at least five or six months" for the prime minister to "sign documents by proxy" after issuing an official letter "urging" the governor to perform his duties. The new DFAA head said the former chief's remark that it takes "five or six months" are groundless. Morotomi said: "If the governor rejects the prime minister's advice and order to perform his duty, the prime minister will take legal proceedings. Then it will be a matter of litigation under the control of a judge, so I cannot make any comment on this matter."

On the possibility of letting the U.S. military conduct live-fire exercises — currently conducted at Okinawa's Camp Hansen — somewhere on the main islands of Japan, Morotomi said: "We will make a decision on this issue after studying it from various viewpoints."

As to reason why the U.S. military was allowed to deploy 29,000 personnel on Okinawa, he said: "The DFAA's duty is to provide a stable supply of land for use by the U.S. military," thus refraining from making a clear-cut statement.

Special Sewerage Fees for Yokota U.S. Base End

OW2111134795 Tokyo KYODO in English 1300 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — The cities of Fussa and Musashi-Murayama in western Tokyo, site of the U.S. Yokota Air Base, will end preferential sewerage utility charges for housing for U.S. military personnel on the base, the cities' officials said Tuesday [21 November].

The officials said the cities have already notified U.S. military authorities of the decision.

The new charges are likely to take effect in April and will result in an increase in income for the cities of some 100 million yen annually.

The sources said, however, the Japanese Government will shoulder the difference between the old and new charges as part of its contribution to having U.S. Forces in Japan.

The Yokota Base contains some 1,300 households in Fussa and about 1,100 households in Musashi-Murayama.

Musashi-Murayama Mayor Kotaro Shishida said the city takes the view that the issue of the bases should be seen in the context of the citizen's welfare.

Article Notes Difficulty Reducing U.S. Bases

OW2211030395 Tokyo ASAHI SHIMBUN in Japanese 20 Nov 95 Morning Edition p 2

[FBIS Translated Text] An agreement was reached in recent talks between Prime Minister Tomiichi Murayama and U.S. Vice President Al Gore to establish a new Japan-U.S. forum (the special action committee) to discuss the consolidation and reduction of U.S. military bases on Okinawa. With this, Tokyo and Washington are ready to move toward resolving Okinawa's bases issue.

However, due to President Bill Clinton's aborted visit to Japan, the Japanese and U.S. Governments failed recently to carry out their plan to redefine the significance of the bilateral security pact at a Murayama-Clinton meeting or to begin discussions on Okinawa's bases issue. Although the new forum plans to draw a conclusion in a year, it is unclear what results it can produce because of differing views between the two countries on the scale of reduction and what military facilities should be returned to Japanese control, and because of difficulty finding sites where some U.S. military facilities in Okinawa will be relocated.

The purpose of the canceled Murayama-Clinton meeting was to issue a joint statement redefining the significance and role of the Japan-U.S. Security Treaty in an era without "the threat of the Soviet Union," as well as to clear away public distrust in the bilateral security system following the rape of a schoolgirl allegedly by U.S. servicemen. The government originally planned to tackle Okinawa's base issue after "rebuilding the security pact." Citing this, a senior Defense Agency [DA] official said: "It would be very difficult for the two sides to discuss base-related problems without redefining the significance of the bilateral security system."

The new forum will be set up under the so-called two-plus-two meeting of Japanese and U.S. defense and foreign ministers. It will discuss not only the consolidation and reduction of U.S. military bases but also the implementation of the Japan-U.S. Status-of-Forces Agreement.

For the time being, the forum will promote discussion on the return of some U.S. facilities to Japanese control, including those whose return was sought by Japan in 1990. It will also study the possibility of increasing the number of facilities to be returned. Japan hopes to realize a tangible consolidation and reduction of U.S. military bases on Okinawa. A senior DA official said: "We hope to draw up consolidation and reduction plans by next May."

However, there is a great discrepancy between what Okinawa demands and what the United States' position. For example, although Okinawa has called for the return of Futenma Air Station, the United States has shown reluctance to comply with this request. Moreover, Washington has stressed that it has no intention of changing its policy of "maintaining 100,000 troops in Northeast Asia, including 47,000 in Japan." Unless this U.S. policy is abandoned, relocating some military facilities from Okinawa to mainland Japan to reduce U.S. military bases and personnel in the prefecture will be inevitable.

A locality in mainland Japan which is being considered as a possible relocation site for a U.S. live-fire training facility has already opposed the relocation plan. This indicates that the new forum will have difficulty finding sites for the relocation of U.S. facilities in Okinawa. Some landowners in Okinawa are opposed to reducing U.S. military bases or relocating them to other sites for fear of losing income from leasing their land to U.S. forces. So, another task for the forum will be to persuade these landowners to agree on the reduction of the U.S. military presence in the prefecture.

Okinawa Governor Masahide Ota has refused to sign documents needed to force unwilling landowners to continue to lease their land to U.S. forces. Because of this, Prime Minister Murayama intends to start procedures for him to sign in stead of Ota. It is possible that Okinawa will strongly oppose the government promoting procedures for proxy signing if no progress is made in talks on the reduction of military bases. If this is the case, the government may fail to renew some land lease contracts which expire next March and U.S. forces may be asked to give up facilities on the land.

The new Japan-U.S. forum plans to hold its first meeting on 20 November. Also, Prime Minister Murayama is scheduled to meet with Governor Ota on 24 November. However, the time allowed for discussing Okinawa's bases issue is limited.

Nosaka Contradicts Kantor's Semicondutor Talks

OW2211092195 Tokyo KYODO in English 0914 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — U.S. Vice President Al Gore, in his meeting with Prime Minister Tomiichi Murayama in Osaka on Sunday [19 Sunday], did not seek a renewal of the expiring semiconductor agreement to open the Japanese market further, a Japanese Government spokesman said Wednesday.

"It is not true that there was any talk on the renewal of the semiconductor accord and the issue of the photographic film market," Chief Cabinet Secretary Koken Nosaka told a news conference.

He was contradicting U.S. Trade Representative Mickey Kantor's comment that Gore has urged Murayama to renew the semiconductor accord beyond its expiry next July and open the film market further.

"All Vice President Gore said was there are problems on the semiconductor accord and the opening of Japan's film market between Japan and the United States," Nosaka noted.

"Our understanding, therefore, is there was no request from the U.S. on the question of the Japan-U.S. semiconductor accord and the opening of our film market," he said.

In Washington on Tuesday, Kantor said the 1991 semiconductor agreement should be renewed mainly to address remaining barriers in the Japanese market.

"We have made progress, and there is no doubt that the semiconductor agreement has been helpful" in raising the market share of foreign microchips in terms of overall penetration figures in the short term, Kantor said.

"But that doesn't tell the whole story. There are still barriers that remain and we need to address them," Kantor said. "We're prepared to sit down and review the entire agreement."

Murayama and Gore met in Osaka on Sunday after the informal summit of the Asia-Pacific Economic Cooperation forum, which U.S. President Bill Clinton skipped due to domestic budget problems.

At the close of his talk with Murayama, Gore described the meeting as historic because it was the first top-level session in 10 years not to deal with economic issues, Nosaka said.

Meanwhile, Tomio Tsutsumi, vice minister of international trade and industry, denied at a news conference Wednesday that Gore had asked Murayama for the extension of the bilateral chip accord and the opening of the film market.

"(Gore) mentioned that Japan-U.S. framework economic talks are working well. In his remarks, he cited four or five sectors, such as chips and films," Tsutsumi said. "The Japanese side pointed out that these two sectors are separate (from the framework talks)."

A senior Foreign Ministry official agreed. "Gore himself told (a news conference after his meeting with Murayama) that they had not discussed economic issues," he said.

Murayama-Gore 'Courtesy Call' Meeting Viewed

OW2111160595 Tokyo MAINICHI SHIMBUN in Japanese 20 Nov 95 Morning Edition p 2

["Article" by political reporter Takuro Kawade]

[FBIS Translated Text] The meeting between Prime Minister Tomiichi Murayama and U.S. Vice President Al Gore on 19 November was not a showy one, but created the impression that it was just a working talks session. The two leaders did not advocate a new formula for Japan-U.S. relations, nor did they announce a joint statement on the Japan-U.S. security treaty. This is because the meeting was "essentially" regarded as "merely a courtesy call because it was not a summit meeting with the president," (as stated by a senior official of the Ministry of Foreign Affairs [MOFA]).

It also has something to do with the fact that it is difficult to explain the significance of the security treaty in the post-Cold War era, in which it has become hard to discern what "defense" should be like.

What is possibly regarded as a concrete "achievement" of the meeting is an agreement on the realignment, consolidation, and reduction of U.S. military bases on Okinawa, and an official decision to set up the "Japan-U.S. special action committee" (tentative name). With the postponement of the summit meeting between Murayama and President Clinton, plans to "redefine" the Japan-U.S. security treaty have been postponed. However, an agreement was reached on U.S. bases on Okinawa during Gore's "courtesy call" on Murayama because the "Okinawa issue, the greatest pending issue in current Japan-U.S. relations, cannot be put off," (according to a MOFA source).

As for the "achievement," however, a virtual accord had already been reached in talks between Foreign Minister Yohei Kono and U.S. Defense Secretary William Perry and at other venues. For this reason, the Murayama-Gore meeting served merely to confirm what had already been "achieved." As the meeting failed to give a definite answer to the question of "why U.S. military bases on Okinawa are needed despite the end of the Cold War," it will not be easy to make the establishment of the special committee a first step toward breaking the deadlock on the Okinawa issue. Future discussions will focus on how to materialize the realignment, consolidation, and reduction of U.S. bases on Okinawa. What will become noteworthy is how the Japan-U.S. security treaty will "be redefined" during Clinton's visit to Japan.

Taking the opportunity of this milestone 50th anniversary year of the end of World War II, both Japan and the United States intended at the summit meeting to emphasize their "friendly relationship based on the security treaty."

It is certain that the fact that golden opportunity was missed "will damage" the relationship of the two countries, (as stated by Ryutaro Hashimoto, deputy prime minister and international trade and industry minister).

The two governments have begun coordinating to reschedule the president's visit to Japan early in the new year. However, if they insist too much on an early visit by the president and fail to provide a persuasive answer to a straight-forward question from the people, it will inevitably cast a shadow over the "new progress in Japan-U.S. relations" which both sides are pursuing.

Conclusion of Peace Talks in Balkans Welcomed

OW2211041795 Tokyo KYODO in English
0344 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — Japan on Wednesday [22 November] welcomed the successful conclusion of marathon negotiations to achieve a durable peace in the war-torn former Yugoslav republic of Bosnia-Herzegovina.

"We greatly appreciate that a peace accord was reached at the negotiating table," Foreign Minister Yohei Kono told reporters. "We'll consider what help should be extended while watching the agreement being consolidated."

The government's top spokesman, Chief Cabinet Secretary Koken Nosaka, said Japan was pleased to learn that Bosnia's warring parties "made a giant leap toward peace with their historically wise decision."

Leaders of Serbia, Bosnia and Croatia initialed a peace accord in Dayton, the United States, on Tuesday through the mediation of Washington.

Nosaka said at a news conference that he hoped a comprehensive peace agreement would be formally signed in the near future, and that refugees in the war-devastated Balkan region would be able to lead a peaceful and stable life.

Murayama Criticizes France for Nuclear Test

OW2211021895 Tokyo KYODO in English
0205 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — Prime Minister Tomiichi Murayama urged France on Wednesday [22 November] to immediately stop nuclear testing while a formal protest was lodged with a French envoy.

"We want France to stop (testing). France should stop it," Murayama told reporters, noting that a United Nations committee adopted a resolution last week calling for an immediate halt to nuclear tests.

Foreign Minister Yohei Kono called France's Ambassador to Japan Jean-Bernard Ouvrieu to his ministry earlier in the day to make the protest against France's fourth nuclear blast since Sept. 5.

A government spokesman registered disappointment at France's latest nuclear blast in the South Pacific, saying, "It is extremely regrettable that France conducted a nuclear test again today."

"We take it seriously that France carried out its nuclear experiment again in defiance of our repeated calls not to do so," Chief Cabinet Secretary Koken Nosaka said.

Tokyo wants Paris not to conduct any more tests in consideration of international opposition to such action, he added.

Protest Against France's Nuclear Test Reported

OW2211012495 Tokyo KYODO in English
0110 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — Foreign Minister Yohei Kono called France's envoy to his office Wednesday [22 November] to protest another nuclear test carried out by France in the South Pacific on Tuesday.

The protest was lodged with Jean-Bernard Ouvrieu, French ambassador to Japan, Foreign Ministry officials said.

Japan has taken similar action each time France exploded a nuclear device this year.

The latest blast was the fourth in a series begun Sept. 5 after French President Jacques Chirac announced France was resuming nuclear testing.

In the meeting with the French envoy, Kono urged Paris to immediately end the nuclear tests, pointing out that the international community is calling for such a move, ministry officials said.

Kono was quoted as saying a resolution adopted at the United Nations last week which Japan and 40 other countries jointly submitted gained support from 10 European countries.

The resolution was adopted last Thursday by the UN General assembly's first committee with support from 95 countries, including Belgium, Denmark, Italy, Ireland, Sweden and Norway.

Twelve countries opposed the resolution and 45 abstained.

Ouvrieu, however, countered that "many countries" also opposed the resolution and indicated that France has no plans to end the ongoing series of nuclear tests, the officials said.

The French envoy told Kono last month when France conducted its third nuclear test that Paris would reduce the number of tests to six from the originally planned eight.

Speaking at a news conference later, Nosaka said Japan's Ambassador to France Koichiro Matsuura also lodged a protest with the French Government over the test.

This, coupled with Kono's protest to the French envoy and his expression of displeasure, was "a very natural development" for Japan, Nosaka said, adding Tokyo would further strive to appeal for the abolition of nuclear weapons.

He also reiterated that Japan would do its utmost to help the proposed comprehensive test ban treaty to be concluded and signed faster than its target dates of next spring and next fall, respectively.

Hiroshima Mayor Takashi Hiraoka and Nagasaki Mayor Itcho Ito issued separate statements strongly criticizing the latest French nuclear test.

The mayors of the two cities destroyed by atomic bombs 50 years ago condemned the French test as ignoring global calls for France and four other declared nuclear powers to refrain from carrying out nuclear tests until the comprehensive test ban treaty is signed.

Hiraoka said in a statement sent to French Ambassador to Japan Ouvrieu that the French test betrays the international community's confidence in the promise.

"The French move to conduct nuclear testing in spite of an international consensus being made for a ban on nuclear tests and elimination of nuclear weapons is not forgiven and it is an act that tramples underfoot hopes (for this) in the cities exposed to nuclear attacks," Ito said in a statement sent to the French embassy in Tokyo.

The Japan confederation of A-bomb and H-bomb sufferers organizations, which represents atomic-bomb victims and survivors, sent to French President Jacques Chirac and the French embassy in Tokyo a letter strongly protesting the latest test and urging an immediate halt to nuclear testing.

"Nuclear testing is against international opinion," it said. "It is a tyrannical act by a nuclear power and a challenge to the future of human beings."

A small number of members of antinuclear citizens' groups staged a rally in front of the French embassy protesting the latest nuclear test, but there was no conflict with police guards.

"Everybody knows nuclear testing is bad. How long will it take before our opposition (to nuclear testing) is heard?" Said protester Koichi Kato, a 29-year-old self-employed man from Kawasaki, Kanagawa Prefecture.

"It's an outdated idea to think it is difficult to defend a country without nuclear weapons. I feel a sense of pity and anger," said a 23-year-old woman from Tokyo's Shinjuku Ward who has staged a sit-in protest since Tuesday.

France's Nuclear Test 'Unanimously Condemned'

OW2211081595 Tokyo KYODO in English
0751 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — Japan's main governing and opposition parties on Wednesday [22 November] unanimously condemned France's most recent nuclear weapons test, conducted Tuesday as part of a renewed series of tests in the South Pacific.

Prime Minister Tomiichi Murayama's Social Democratic Party said in a statement that the test was "totally unforgivable" in view of a resolution condemning nuclear tests adopted on Nov. 16 by the UN General Assembly's First Committee.

The SDP statement also urged the recall of Japan's ambassador to France.

A statement from New Party Sakigake [Harbinger], which is in the governing coalition with the SDP and the Liberal Democratic Party (LDP), said a recall of the ambassador should be considered "immediately" and urged the government to strongly impress on the international community its stand that nuclear weapons should be abolished.

The LDP said in a statement that "the fact that the tests were conducted in the face of strong international opinion against them, and the repeated requests of our parliament and government, is a matter of infinite regret."

Among the opposition parties, the main opposition party Shinshinto [New Frontier Party] issued a statement quoting its foreign affairs spokesman, Michihiko Kano, as saying it "is feared that if the French Government again conducts a nuclear test, it will affect the otherwise good relations between Japan and France."

In a protest note sent to French President Jacques Chirac, the Japanese Communist Party cited "the Japanese people's anger over, and opposition to, the conducting of repeated nuclear tests" and urged France not to conduct a further test.

A statement from the Komei Party [Clean Government Party] said the test was "an act which betrays international good sense."

Chief Cabinet Secretary Koken Nosaka showed reluctance to call Matsuura back to Japan as a way of showing Japan's anger at France's policy of continuing with its nuclear experiments.

Referring to the call from two of the three governing coalition parties for the ambassador's withdrawal from Paris, Nosaka said, "We take the two parties' opinion seriously."

"We have not given consideration yet to the recall of Ambassador Matsuura," the spokesman said, adding, "I cannot make any further comment."

Chilean Official Urges CTBT Initialing

OW1911043795 Tokyo KYODO in English 0340 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Chile's Foreign Minister Jose Miguel Insulza expressed hope Sunday [19 November] that a global treaty to ban nuclear testings will be signed in Japan, Japanese officials said.

Insulza told Japanese Foreign Minister Yohei Kono that the initialing of the Comprehensive Test Ban Treaty (CTBT) should take place in Japan when negotiations on the pact are concluded, the officials said.

Also during the 30-minute meeting, Insulza offered support for Japan's bid to become a permanent member of the UN Security Council and to be elected a nonpermanent member of the council for the 1997-1998 term.

Kono told Insulza that Japan hopes a broad consensus will be reached on UN Reform by September 1996.

Turning to bilateral relations, the two foreign ministers agreed to boost exchanges of high-level officials in 1997 when Japan and chile mark the centennial of the establishment of their diplomatic ties, the officials said.

Increased Direct Investment in Chile Urged

OW1711142695 Tokyo KYODO in English 1154 GMT 17 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 17 KYODO — Chilean Economic Minister Alvaro Garcia urged Japan on Friday [17 November] to increase direct investment in his country to strengthen Tokyo's economic linkage with Latin American countries, Japanese officials said.

Garcia told International Trade and Industry Minister Ryutaro Hashimoto that because Chile intends to form better commercial networks with other Latin American nations, Japan can increase exports to the region through Chile, the officials said.

In the bilateral talks held after the ministerial talks of the 18-member Asia-Pacific Economic Cooperation (APEC) forum, Hashimoto was quoted as telling Garcia that Japan's Ministry of International Trade and Industry can help introduce Chile more to Japanese companies.

Garcia told Hashimoto that Chile, the only Latin American member of APEC, has common interest in expanding economies in the Asia-Pacific region.

Garcia also expressed his gratitude for Japan's recent efforts to increase imports of Chilean agricultural products, the officials said.

Kono, Mexico's Gurria Hold Talks on NAFTA

OW1911043895 Tokyo KYODO in English 0346 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Japan urged Mexico on Sunday [19 November] not to allow its membership of the North American Free Trade Agreement (NAFTA) to adversely affect the bilateral trade relations, Japanese officials said.

Foreign Minister Yohei Kono made the request in talks with Mexican Foreign Minister Angel Gurria who is visiting Osaka to attend meetings of the Asia-Pacific Economic Cooperation (APEC) forum.

Kono noted the importance to keep NAFTA from discriminating against Japan and other countries.

NAFTA groups Mexico, Canada and the United States and the three countries also belong to APEC, whose 18 member economies have worked since 1989 to liberalize trade and investment in the Asia-Pacific region.

Gurria thanked Japan for its assistance in the Mexican financial crisis, adding that the Mexican Government is doing its best to fight inflation and stabilize the economy, the officials said.

Kono also asked Gurria to improve the foreign investment climate in Mexico, which has been less successful in attracting Japanese investment than the U.S. and Canada, they said.

Kono, Kasemsamoson Discuss 1996 Asian-EU Talks

*OW1911104295 Tokyo KYODO in English
1002 GMT 19 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Japanese and Thai foreign ministers said Sunday [19 November] the first summit meeting between Asian and European leaders in Bangkok next March will address political, economic and cultural issues, Japanese officials said.

The officials said Foreign Minister Yohei Kono and his Thai counterpart Kasemsamoson Kasemsi reached the agreement in a 40-minute meeting in Osaka, where leaders of the Asia-Pacific Economic Cooperation (APEC) forum held trade talks.

Kono said the March summit between Asian and European Union (EU) leaders would be of "historic significance," pledging Japan's full support for the Thai initiative, the officials said.

Kasemsamoson said the Bangkok gathering would enable the Asian and EU leaders to discuss political and economic issues, prompting Kono to add that Japan hopes to talk about cultural exchanges with its Asian and EU partners, the officials said.

The two foreign ministers also compared notes on Myanmar's [Burma] moves toward democracy, with Kasemsamson reporting on his recent trip to Yangon [Rangoon], the officials said.

He told Kono the military junta in Myanmar is looking forward to strengthening ties with Thailand and other countries. Kasemsamoson added that the Myanmar's junta leader Than Shwe will attend a summit meeting of leaders of 10 southeast Asian countries in December.

The Thai foreign minister also noted that Myanmar is currently in the throes of writing a draft constitution, the officials said.

Kono told Kasemsamoson that the situations in Laos and Cambodia have stabilized and he expects Myanmar to enjoy similar stability, the officials said.

Experts on Expected APEC Benefits to Business

*OW2211070195 Tokyo GAIKO FORUM in Japanese
Oct 95 Issue pp 42-53*

[Roundtable discussion attended by Yoshihiro Sakamoto, deputy vice minister for international trade and industry; Hiromoto Seki, APEC ambassador; Nobuo Tateishi, vice chairman of Omron Corporation; and Minoru Murofushi, president of Itochu Corporation — moderated by Toshiro Suzuki, director of the Developing Economies Division of the Foreign Ministry's Economic Affairs Bureau, on 28 August; place not given]

[FBIS Translated Text] [Suzuki] The Asian and Pacific Economic Cooperation forum [APEC], inaugurated in 1989, is now in the sixth year of operation. It has become clear since the Seattle meeting in 1993 that the leaders of the region — at the level of top national leaders — have become eager to get involved in it. The Bogor declaration was adopted at the informal summit in Indonesia last year, and mid- to long-term targets have been set toward the goal of liberalizing and facilitating [enkatsuka] trade and investments in the Asian and Pacific region, and toward cooperating in the future economic development of the region. This year, with the Osaka conference coming, its major task is to formulate action guidelines — called the "Action Agenda" in English — to embody these targets.

These action guidelines are likely to provide the strategic framework to govern the future activities of APEC. It is from this perspective that I think APEC is now in the process of changing drastically. With this development in APEC in mind, I would like to ask you, gentlemen present here today, to give your assessment — from your own respective standpoints — on progress and development made by APEC so far. I hope in particular that those who have participated in APEC meetings in one form or another or who have been deeply involved in economic relations within the region will speak on the basis of what they have personally witnessed.

[Seki] It happens that APEC belongs to my area of business. May I offer to be the icebreaker and to speak first. I believe — and many people agree — that this year's APEC conference in Osaka will be remembered as a historically meaningful event. The nations and areas in the Asia and Pacific region have made attempts to promote solidarity and cooperation among themselves since the 1960s, but such efforts have come to bear substantive fruits only with the start of APEC.

No doubt, the Osaka meeting has before it the important task of giving concrete shape to the "Bogor declaration." But that is not the only thing it must do. I think the event can and should provide dreams in a true sense and feelings of solidarity to the people of this region, which is the most steadily growing region in world at present.

Furthermore, at present in the Asia and the Pacific region, while there is economic growth and prosperity on one hand, there are also unanticipated troubles. For instance, there are troubles between China and Taiwan, and also troubles over the Spratly Islands. In addition, there is, of course, economic friction. But the top leaders of the nations want to go beyond these troubles and to come together to discuss common objectives. I hope the future of Asia and the Pacific region will become further assured through this process.

[Suzuki] Mr. Seki has just said that the true rationale for APEC is in assuring growth in the Asia and the Pacific region and in making growth in the future more hopeful.

At the base of APEC's advancement is the fact that the economy of the Asia and the Pacific region is continuing to grow at a remarkable rate. Therefore, I would like to ask those who are personally involved in business projects in the region, to give their views on the meaning of economic growth presented by these projects.

[Murofushi] The APEC region is developing into a very important area for us to do business. As you all know, in Japan, since the collapse of its bubble economy, there has been no full-fledged economic recovery. Japan's economy is in a stagnant state, and is being compelled to undergo a structural reform.

But the APEC region overall is growing at the fastest speed in the world. It is said that this region is functioning as a propelling force for world economic growth. China is growing at an annual growth rate of 10 to 12 percent. The newly industrializing economies (NIES) and ASEAN countries are growing at an average of 7 to 9 percent a year. I think the importance of this region from a business perspective will only grow and not diminish.

We, the people doing business overseas, are aware that this region has made very dynamic [preceding word in English] progress in the areas of investment and trade and that it offers very great business chances [preceding two words in English] to us as well. While there are different approaches and ways of viewing APEC — with some based on West European cultural perspectives and some on Asian standpoints — there are also various difficult problems. Since last year, Mr. Tateishi and I, working as representatives to the Pacific Business Forum (PFB), have had chances to meet representatives of 18 countries and areas, and to talk business with them. From these talks I have learned two points which struck me.

The first point was that the words expressed by the representatives of those various nations suggested they were proud that businesses were the prime movers of dynamic economic growth in the region.

The second point was that they knew the liberalization of trade and investment, the improvement of infrastructure, the promotion of workers' training, and the invigoration of small businesses would bring common benefits to businesses in the region. As such, there were almost no differences of views about the need to do these things promptly.

In drawing up recommendations on the future direction of APEC, insomuch as positive views were dominant within the PBF, situations in which discussions are stalled because of major differences of opinion have almost never occurred. Almost always, a consensus could be reached in one way or another. What impressed me most at the PBF meetings last year and this year was that many of the PBF members, who also participate in APEC, spoke in a very positive and affirmative manner.

Such being the given condition, if we are asked to prepare and submit a proposal to the top APEC leaders, I believe, the proposal from us can be one which will be very helpful in improving business conditions. The proposal should enable the leaders to learn what we, the business people, are thinking and what we want to achieve.

[Tateishi] Ambassador Seki has just said that the APEC meeting in Osaka this year, which is held pursuant to the Bogor declaration, will prove to be very important. Six years have passed since APEC was inaugurated. If the meeting cannot produce a clear "Action Agenda" for the forum, there will be no way for the PBF to make progress in its own discussions. That is why we want the Osaka meeting to produce a positive "Action Agenda" in one way or another under Japan's leadership. I really believe everyone wants investment and trade to be liberalized and facilitated further.

Ambassador Seki has also said he wants APEC to provide dreams to the people of the region. I agree with him. After all, what is at the base of all of this is the private sector's economic activities. The governments can only do the work of building up favorable environments. The governments can prepare favorable environments for implementing the recommendations which will be presented by us following discussions at New Port Beach (in the United States) on 1 and 2 September.

As Mr. Murofushi said, it would be indeed nice if the 18 nations and areas in the region, which have different cultures, religions, and languages as well as different levels of economic development, could work together toward the common objective of achieving economic growth in the region. Its aim is not to compete with the North American Free Trade Agreement (NAFTA) or the European Union (EU), but for the countries and areas in the region to become the driving force in growing together, which should contribute to the world's economic growth and peace in the 21st century in a true sense.

I think this can also help deal with such problems as those existing over Taiwan or the Spratly Islands or with small-scale conflicts occurring in some limited areas. From that perspective, the APEC ministerial talks and its informal summit meeting in Osaka will have an important meaning.

[Sakamoto] APEC's shape was rather uncertain when it initially started. Participating industrial nations — at least Japan — thought discussing ways to shore up the economic level of the region was all that it could do. But the concept of its functions has changed to one which wants to take care of the question of how to advance liberalization of investments and trade in the region. I think at the base of this change is the growing economy of the Asian region and the changing thinking of businessmen and government leaders.

In other words, the fixed notion that Asia is a rather backward region has been removed. Now the awareness that Asia is making contributions to the world and it has a voice to speak to the world is emerging fast. I feel there is even the danger of Japan being left out should it err in its judgment. I have been involved in APEC from the beginning, and I am watching the progress being made in the activities of the forum with awe.

There may be many ways to look at things. But what I think we should do is to continue pouring into the people's heads the concept [preceding word in English] of creating the base to make business activities in the region borderless — by having the United States within it.

Of course, there are some people who argue that we may be too hasty. But, after all, Asia has developed so fast to become what it is. It has to fulfill its rights and obligations as an integral member of the world economy. Besides, the basic idea of the need to minimize the costs of business operations is taking root in a very concrete form as well.

In Osaka this coming November, Japan can put soul into the body of APEC. The time is right. There is the problem of diversity [of interests], but the diversity has not been such a major impediment so far. As Mr. Murofushi said earlier, at least, diversity has not worked as a limitation to progress. Indeed we think our work is making much better progress than we had expected.

Asia and the U.S. in APEC

[Seki] As Deputy Vice Minister Sakamoto has just said, there is much meaning in the fact that the United States is a key member of the Asian and Pacific region. APEC can have many meanings for Asians. Some people go so far as to say APEC should be understood as a means — or a framework — to enable the United States to have continued concerns in Asia. I myself think that is not everything, but admit that is a big part.

We, who are taking part in formulating liberalization plans and cooperation schemes for APEC, find the Asian and Pacific region very interesting. For instance, if we discussed liberalization plans, there would be views from various perspectives. I think there would not be so many views if it was a gathering of only Asians — i.e. the ASEAN and East Asian people commonly called people of the East Asia Economic Conference (EAEC). When people from the United States, Canada, Australia, New Zealand or Hong Kong become part of the team, discussions come to have views from angles which we would not have thought about. That is the advantage of APEC. Very likely, these people [from non-Asian nations] would find the views of the ASEAN and Northeast Asian people interesting as well. To incite one another's ideas in order to reach common thinking is an interesting process.

The way the plans are being drawn up in APEC is rather unique as well. In the past, when the nations wanted to draw up liberalization plans, they used to borrow the systems of GATT, the World Trade Organization (WTO), the EU or NAFTA in doing their work, which meant they would first draw up rules and regulations, and then conduct negotiations based on them. But in APEC, this way of doing things would not work — not because there is not enough time given, but because it would not work even if they had an eternity. We can call it a product of compromise, but the way things are done in APEC is to put peer pressure [preceding two words in English] on what the countries are already doing in their liberalization efforts. This method assures mutual respect and a degree of independence for individual countries. This system is unique to APEC, and I think this system can work for a long time to come.

[Murofushi] I agree with what you have said. The impression I received from attending the PBF meetings was that it is a very unique forum. At the first meeting last year, participants did not know one another, and we were somewhat perplexed. But as we met more and more, mutual understanding developed. Since almost none of the representatives to APEC are new this year, the meetings now proceed in a very amicable atmosphere.

Initially, what I feared most was that there would be many clashes of opinion between the industrialized nations and the so-called ASEAN countries. I, as cochairman last year, had anticipated a tough time coordinating the views of the members. But once I started my job, I found that this fear was groundless. The people of the Asian countries were very positive.

As Mr. Sakamoto said, if Japan does not watch out, it could be left out. Some of the expressions [by Asian representatives] were so active as to suggest that these countries will go ahead without Japan if Japan does not want to come along. Such a revelation was truly shocking to me.

The PBF is not concerned about politics. Hence, its people can speak freely, giving their views on what needs to be done to make businesses continue to grow and develop further in the future. We are sometimes shocked by the audacity of ideas presented.

Now with the next APEC meeting coming to Osaka, members of the PBF, speaking from their personal positions, warn that Japan must make this event a success by taking positive initiatives. While the PBF is getting ready to finalize its recommendations, the dominant view within it is that the Bogor declaration should be transformed into a concrete action agenda with the target of specific results being attained before the end of this year or, at the latest, in the next three to four years — certainly not in 10 to 15 years.

Some of the nations might insist that such a target is impossible to meet. It will be desirable for the forum to move on even if it means proceeding by getting a so-called flexible consensus [preceding two words in English] by excluding those countries from the list of 18 in the region. It is necessary to draw up detailed road maps [preceding two words in English] and time lines [preceding two words in English] and to set schedules to liberalize and facilitate trade and investments. It is also necessary to review the status of implementation routinely. I would like to recommend these points.

From this context, it is important that the Osaka APEC meeting is a success and produces concrete results.

[Tateishi] As to what Mr. Murofushi has just said, I have never felt that APEC people were moving, riding on the current of result-oriented, rushing Americans. Actually, I saw the sincere desire of ASEAN and NIES people to have rules for the foundation for their own economic development. This was evident also in the ambitious annual targets for their planned projects. I want you to know about this desire.

Some of the PBF members are doubtful — while hopeful — about whether Japan will really take initiatives. I felt their uneasiness while having talks with them at the previous meeting in Tokyo and at the first meeting in Singapore before that. I felt that they had so much hope for Japan to use leadership insomuch as they were fully aware of Japan's position in Asia and the importance of that position.

[Sakamoto] I think what you have just said is very important. After President Suharto showed his leadership in the Bogor meeting in Indonesia last year, I think the perception that the United States was pushing this system on the region has been proven wrong.

The way the United States did things initially, I think, could be called pushy. But even before that, Indonesia, Thailand and the Philippines had taken a series of actions to ease control on foreign investments, to reduce tariff duties, and to deregulate banking. I think they represented surprising shifts from earlier positions, and I think this showed rather clearly how the Asian nations or the ASEAN nations are willing to take initiatives toward this concept.

But as Ambassador Seki pointed out, what would have happened if only the Asian nations had gotten together to do the work? I think we are rather weak in the conceptual work. We are not too good at conceptualizing things, and tend to be content with guessing what other people are thinking. In contrast, the Anglo-Saxons are good at conceptualizing systems like those for liberalizing and facilitating [trade and investments], and at figuring out how they should be embodied or on what time frame they should be put to work.

Besides, it can be said that the fact that the United States, Canada, Australia and New Zealand are in the forum together shows the world that the nations of the forum are dealing with things which are universal. I think this is the first time in history that Asia has taken the initiative and spoken its mind to the world.

Meaning of Having China in the International System

[Seki] I too think Asia is now entering a new era. Still, we must admit that Asia contains many things in it, and one of the problems is China. China wants to modernize and open itself up But if it wants to join an international system, it will be difficult however genuine its desire may be. Its government simply cannot say that it wants to join a forum just because there is clear pressure from outside. That cannot be a good enough explanation to its people. But it happens that there is a harmonious call or pressure to join a forum from within APEC. If modernization or liberalization can make progress within this framework, I think that will be acceptable to its people as well.

From that perspective, I think having China in this international system is very meaningful. After all, China is a great power. We need to coexist for a very long time. Some things cannot be worked out between two countries. Then it becomes necessary that these things are brought up and dealt with through a system like APEC's. If the talks are not between China and Japan only, and if the United States and the ASEAN countries of Southeast Asia are in the talks, it becomes easier for China to speak up and express it's views.

[Murofushi] I agree with you in that view completely I had a chance to meet and talk with a leader of China recently, and he said that China wants to respect the WTO system. He said that while China now has 1,200 million in population — 900 million of them farmers —, all of them deserve to live better off, and as long as they cannot live better off, they will remain burdens to the world. He added that it will take time for China to achieve its targets, and the world needs to watch it for a longer term. He noted that some people talk about the possibility of China becoming a threat, but he said that is a biased view of a limited number of people.

While meeting in the PBF, I noticed that China's representatives presented very fitting views, and I could see they were very much willing to work together in the APEC forum. This year, as I did last year, I plan to emphasize that "it is desirable for the nations and areas, which are PBF members, to join the WTO." If China joins the world's free economy framework as a member of the WTO and APEC, that can give very important momentum to all of us as well as China.

This Chinese government leader I met noted that the socialist market economy is now only three years old and does not have 300 years or 100 years of history as does West Europe's or Japan's economy. He said he hopes the people will look at the growth of his country in a long-term perspective. I agree with him.

[Sakamoto] Basically, regional organizations present problems. Both the EU and NAFTA have the danger of turning into blocs. But APEC does not necessarily have that danger. Much credit should be given to the WTO's creation — worked out through the Uruguay Round of talks — for becoming the propelling force for APEC's creation and providing momentum for liberalization. I think keeping the momentum alive for APEC's liberalization efforts will prevent such regional free trade accords as NAFTA or the ASEAN Free Trade Agreement (AFTA) from turning into an accord to create economic blocs and will, instead, function by promoting liberalization in larger regions.

Conversely, once the momentum is lost, there arises the danger of the agreements turning into protocols for bloc economies. Right now, China appears to be facing problems over the question of joining the WTO. We strongly hope that country will become a member of the WTO without delay and will come to work by international rules. The United States is taking a rather tough position on the matter and it looks difficult to expect progress on it at the present time. Meanwhile, the role which APEC can play with respect to China will apparently grow in relative terms.

An important question for the APEC region and the world economy in the future is whether China's economy will integrate smoothly into the world trade order. It will be very interesting to see how this very peculiar system called a socialist market economy will evolve politically and economically. I must say it is difficult to make a prediction about it.

Japan's Role in APEC

[Suzuki] Earlier, when someone talked about discussions in the PBF, he said Japan, being the chairman country this year, is expected to take the initiative. Now as APEC's Osaka meeting is approaching, it should be necessary that we think again what APEC means to Japan and what role Japan should play in it. Would you give your opinions on this?

[Seki] For one, I think it necessary that we think not only about the immediate goal of making the APEC Osaka meeting a success, but to participate in APEC's activities from the viewpoint of supporting the growth and prosperity of Asia and the Pacific region and making contributions to it.

In this connection, what I would like to say is that the Japanese, as often pointed out, are poor in originality of thinking but are good at absorbing and digesting many things. I hope our government will take note of this in doing its work. No doubt, as the work involves only business matters, there can be a uniquely Asian way of thinking. But when Asians need to work with Americans, there is an area where Japanese are really skilled.

Another point to note is that when we talk about the liberalization which the APEC forum wants to achieve, we have to ask ourselves this question: What about Japan? Is it really an honor student where the liberalization is concerned? Then, we will come to realize we have things to do for ourselves.

Viewed from such a context, I think in a way APEC is a model for Japan to learn from. Deregulation has been talked about in Japan, but there needs to be more pannational discussions on the question of what to do about Japan's agriculture — in conjunction with the issue of the international economy. Shall we accept incomprehensible solutions that have been made in a compromise between politics and the world economy? I think APEC is calling on us to think about this question.

[Tateishi] It is very important that Japan becomes convinced that economic growth in this region is tied to Japan's future economic growth. In the future economic development of the region, Japan's experiences can be put to good use in many areas. Some of these concern technology transfer, the training of workers, the system of small and medium businesses and subcontractors which account for 97 percent of the total businesses in Japan, as well as the improvement of infrastructure. They can be Japan's major contributions. It is necessary for Japan to recognize and fulfill it's responsibilities to help the region develop.

[Sakamoto] No doubt, postwar Japan has set up one model of economic development. Japan has succeeded in achieving growth, and the way of doing it was to modify Western Europe's market mechanism only concept and adopting it to its own use. The Western European community might find idiosyncratic elements in Japan, but the Asian countries can use the systems and ideas adopted by Japan to suit the needs of their own communities or to suit their respective levels of economic development. And one of Japan's roles is to provide these things.

Another point I would like to make is the fact that Japan's capital assets and technologies are already in Asia, and that these assets and technologies including management knowhow are a sort of regional culture. There has been a pattern in the past, and when countries wanted to cultivate their economy, they wanted to do so by finding markets for many of their products in the United States. I think Japan now needs to bring a change to that pattern by offering its own markets to Asia, and I think the change will come. In other words, Japan can make contributions to the development of Asia by providing its markets. The United States cannot continue living with its huge trade deficits forever. It will become necessary for other countries to share the burdens henceforth. In this regard, I must admit, there will be some pains to be borne by Japan. I think one of the tests awaiting Japan is to see how Japan will overcome such pains under national leadership.

[Murofushi] I agree with your view wholeheartedly. We should not even need to ask how important APEC is for Japan. But Japan's assistance is indispensable for APEC to grow further too. Japan's postwar development owes to several keys in Japan-U.S. relations, and one of them is the Japan-U.S. security pact. I think the Japan-U.S. cooperation framework based on the Japan-U.S. security system is also good for APEC's development.

As such, my view is that the United States and Japan have duties to play central roles within the oval-shaped APEC region, and to help it grow. A major task for Japan is to provide its stable markets to Asian countries by building up its domestic demand and opening up its markets as Mr. Sakamoto has just said.

As for APEC, I think it should make three points — liberalizing and facilitating trade and investments, and cooperating in regional development — its main goals, and assure that its rules are consistent with the WTO agreements and are based on the principle of open regionalism.

[Seki] Indeed, I think, historically the economy has influenced a substantial part of the general Japanese way of thinking or way of doing things. Since the Meiji era, the Japanese have had debates. Their thinking has changed from one of "Let's get out of Asia and join Europe" to one of "Let's distance ourselves from the United States" and to one of "Let's return to Asia." Apparently, once we internalize APEC and it becomes a solid framework, and once economic exchanges, personnel exchanges and cultural exchanges take place, it will become clear that Japan must have its foothold in the great Asian and Pacific region. It will also be desirable from political and economic perspectives for this to happen. Then, I think, we can graduate from the stage of witlessly arguing whether Japan should choose Asia or the United States.

Leadership by Cooperation of the Government and the Private Sector

[Tateishi] The PBF last year proposed very many themes to be taken up. We will prepare our proposal for submission to the Osaka meeting this year after rounding up about 10 or so subjects. However, we will also present specific implementation plans along with them. Could you explain the Japanese Government's stand on the matter?

[Seki] I believe the economy is basically something that is run by the private sector, and what the government can do for it is to help formulate frameworks or create favorable conditions in general. That being the case, if people fail to point out or raise issues in the private sector, they will be chastised for not doing their part. Yet, APEC is a system which will take a long time to materialize. If nothing comes out of the Osaka meeting this year, please be patient. We need to take long-term views. If something does not happen this year, we will have to make it happen next year. That is how we must work on it.

[Sakamoto] The other day, I talked with some people of the EC Commission in Europe. The United States and Europe are now discussing entering into a U.S.-Europe free trade agreement or forming a U.S.-Europe free trade union. But because of problems like those in agriculture, it will be difficult to integrate NAFTA and EU regions into one free trade region. Still, business people on both sides insist they should hold contacts privately, and begin discussing processes to promote business activities like those on customs clearance, mutual certification, and tariff duties, which are probably the same issues being discussed in the APEC forum.

All the nations have their own sensitive areas which put their ambassadors to task. Hence, I feel it desirable to begin with efforts to harmonize and promote the nations' existing business systems. I think that can become the base from which we can shore up APEC's activities. In that context, the stories about the United States and Europe holding talks are useful. They concern the private sector's activities.

[Murofushi] I hope the PBF will shorten the list of themes to be presented this year, focusing on about 10 items in its proposal, and will be specific and daring in the content of the proposal, covering the areas of trade and investment liberalization and facilitation, and cooperation in economic development. I hope it will also include an opinion on a successor to replace the PBF whose functions expire at the end of this year. In fact, that question was raised at the summit meeting in Bogor last year, and is still pending. A study on it is still going on, but it will be very desirable to retain a framework like the PBF through which summit leaders and ministers of APEC nations can hear the voices of business people. We call such a framework tentatively the APEC Business Council (ABC). Almost all the members of the PBF believe such a system should be maintained.

The framework should be something like that of the existing PBF wherein member countries and areas — each with only a couple of representatives — can present their views easily and can talk about many things freely and frankly. It is very important that the representatives are named by their top leaders and they have direct access to these top leaders so that they can present their views. Nearly all the PBF members hope that either the current PBF which can reflect the voices of the private sector will continue into next year or that a new system will be created. I must say plans are not enough. There must be a way to check on the progress of the plans and see if they are working.

[Seki] We do not need an APEC which is not useful to businesses. I think Deputy Vice Minister Sakamoto made a very good point. If the talks between the United States and the EU are being held in such context, that idea is indeed the same as that of APEC. They might have learned it from APEC, and not vice versa. The work on APEC is proceeding not by first writing up an agreement and worrying about what to include in its articles, but by studying what can actually be utilized and what is actually holding up the flow of commodities or people.

What I am confidentially thinking is that once the APEC system becomes established, because of the great economic potential of the APEC region the system will develop naturally into the worldwide system. I am inclined to think the situation is now evolving in such a way as to suggest that this is bound to happen.

[Sakamoto] The postwar world has made progress in trade and economy by liberalizing them through the process of mutual negotiation by countries — namely under the concept of the GATT and the WTO. Now for the first time — let's forget what it is called — we have an approach which enables the countries to present their own liberalization programs to one another, to think about some guidelines to adopt, and then to conduct reviews together. In other words, all the countries can bring their views and then try to find a balance between them. Shall we call it a uniquely Asian way of doing things or a consensus-based way of doing things? Anyway, I think this is a fairly new approach.

Consequently, this is a concept rather difficult for Americans and Canadians to accept. I think there could be a conflict. But if it works out well, it will prove to be a unique approach to creating a new order. But a premise to it is that the nations have the will to liberalize and the power to implement liberalization plans. From that perspective, we can say that we are attempting a very new thing. If the Asian countries have confidence in what they do, I think, prospects for the future will open up.

[Seki] In view of that, what is desirable is that the private sector exerts continued pressure on the government. This matter does not end in Osaka this year, but begins in Osaka. For this to make progress for the next 10 years or 20 years, what we need is international peer pressure and domestic pressure arising from the private sector in countries.

[Tateishi] No doubt, what is different from the way it has been done in the past is that this is not government-led, and is based on a form of cooperation — with the government accepting the views of the private sector. If this works out, APEC will turn out great. Deputy Vice Minister Sakamoto mentioned the importance of the will to liberalize. I would like Japan to strongly show that will as well.

[Sakamoto] The most often asked question — not only with regard to the APEC, but also in regard to relations with the United States and Europe — is whether Japan will carry out its own structural reform and economic measures voluntarily. There is the question of whether peer pressure is enough to change Japan. There is the possibility that Japan is regarded as a country which cannot carry out structural reform or economic measures unless there are some tools like the 301 provision. Japan has to go through the severe trials of proving whether it can do these things voluntarily. I feel therein lies the dividing line of whether Japan can take leadership over Asia and the Pacific region or not.

[Tateishi] Japan is the chairman country in the forthcoming Osaka meeting. I hope Japan can contribute to creating a splendid APEC by displaying leadership over the APEC plan henceforth. The Japanese people having been bashed all the time, are now somewhat discouraged. I think this provides a good chance for the people to dispel such feelings and advance with confidence once again.

[Suzuki] Thank you very much.

APEC Leaders Urged To Go Beyond Economics

OW2211080095 Tokyo MAINICHI SHIMBUN in Japanese 20 Nov 95 Morning Edition p 5

["Editorial": "The Discussion of National Leaders Should Go Beyond Economic Issues"]

[FBIS Translated Text] The unofficial summit of the Asia-Pacific Economic Cooperation (APEC) forum adopted an Action Agenda for the liberalization of trade and investment on 19 November. It issued the "Osaka Declaration" expressing the determination to implement liberalization and with this, the APEC meeting ended.

The Action Agenda upholds cooperative and voluntary action, and a flexible approach. There was not much evidence that the Osaka meeting achieved a lot, despite its significance in the run up to the post-Uruguay Round era. Although it is said "the United States was patient, and it listened to what the others had to say," (according to Foreign Minister Yohei Kono), the United States, which advocates a strategy to liberalize the Asian market, is not satisfied, and there is increasing concern it might apply more pressure through bilateral negotiations.

The general framework of accomplishing liberalization by the year 2020 had already been laid down in the Bogor Declaration last year. The formulation of the Action Agenda could have been possible at the ministerial level. So, we ask why the APEC summit had to be held?

First, it is meaningful for national leaders to continue direct dialogue. Historically, Asia was at the frontline of the East-West Cold War. There has not been a tradition of top leaders continuously communicating with each other to avoid conflicts arising from misunderstandings.

PRC President Jiang Zemin emphasized: "No matter how advanced the means of communications becomes, direct dialogue will still be important. Direct conversations can eliminate all kinds of misunderstanding." ROK President Kim Yong-sam agreed with him. Uninterrupted direct communication between top leaders is important.

Furthermore, the gathering of the East Asian nations and Japan, the United States, and China at the same conference table contributes to peace and stability in the region. Japan-U.S. cooperation is indeed indispensable and, as Australian Prime Minister Paul Keating pointed out: "It is very important for the United States to retain a deep interest in East Asia."

The U.S. presence cannot be overlooked. Building a more stable system of interdependence within this framework will enhance Asian security.

In that sense, it is of great significance that the present APEC meeting decided to support China's membership of the World Trade Organization (WTO). For Japan, APEC is the only community it belongs to amid the worldwide trend of forming regional communities.

However, there is not much need for the leaders to gather every year if they are only going to talk about economics. If, indeed, "the 21st Century is the era of Asia" (according to Jiang), there is a need for high level discussions that include political issues.

The United States wants to discuss security, and Prime Minister Tomiichi Murayama himself conceded that: "As we hold summits year after year, there should be no problem discussing security and other issues." He agreed to an expansion of issues to be taken up by APEC. However, there are more issues than security that need to be discussed.

Above all, leaders should discuss the political ideology APEC should follow. Unlike the summit of the advanced nations, APEC summits have avoided a discussion of such ideas as democracy and a free economy. This is understandable because there are APEC members that are socialist or ruled by dictators. The composition of member states is complicated, and there is a tendency to avoid attacking each other, because "Asians do not tell other people that their level of democracy is not good enough" (according to Malaysian Prime Minister Mahathir).

However, as the APEC members have found the opportunity for growth in the globalizing world economy, political and economic systems will be equally as important issues as economic development. The APEC leaders will discuss population, food, energy and the environment in subsequent meetings. These are areas that are also connected with basic human rights and issues pertaining to the political system. We hope the APEC leaders will take this opportunity to go beyond the realm of economics to engage in candid discussions of political ideology and security.

Defense Agency's Redeployment Draft Outlined

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[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — The Defense Agency on Wednesday [22 November] presented the ruling coalition with a draft plan for redeployment of Self-Defense Forces (SDF) troops in line with the new defense policy outline.

The agency plans to scale down four of the 12 divisions nationwide of the Ground Self-Defense Force (GSDF) to brigades of 4,000 to 5,000 personnel, while two smaller troops will be boosted to brigades.

The fact that two of the four divisions to be cut back are in Japan's main northern island of Hokkaido indicates the ebbing threat from Russia, analysts said.

The Maritime Self-Defense Force (MSDF) will cut an escort division at Yokosuka, Maizuru and Kure, while the fleet escort force will remain intact.

The Air Self-Defense Force (ASDF) will slash one F-4 fighter squadron at its Nyutabaru Base in Miyazaki Prefecture, southern Japan.

In Hokkaido, the cutbacks will be partially offset by deployment of armored transport vehicles to buttress the mobility of the troops, an agency official said.

The 12th Division, which is stationed in Gunma Prefecture, near the Tokyo metropolitan area, will receive additional deployment of helicopters in preparation for disasters or terrorist attacks.

The agency also said the number of jet fighters of the ASDF will be reduced to 300 from the current 350, while the number of transport planes will be increased.

The move is in response to the growing importance of the disaster rescue missions and the support missions for the UN peacekeeping operations, the agency said.

The agency also decided that the new defense policy outline should include a call for eradication of nuclear weapons and stress the importance of U.S.-Japan security arrangements for stability in Asia.

The cabinet is expected to approve the new defense program by mid-December, which will replace the 1976 National Defense Program Outline.

Missile 'Fired Accidentally' Downs ASDF F-15

OW2211044595 Tokyo KYODO in English
0432 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — A Japanese Air Self-Defense Force (ASDF) F-15 that crashed into the Sea of Japan on Wednesday [22 November] morning was downed by a missile fired accidentally from an accompanying jet fighter, the Defense Agency said.

The pilot, 1st Lt. Tatsumi Higuchi, parachuted to safety and was rescued by a team sent from the ASDF's base in Komatsu in the Sea of Japan coastal prefecture of Ishikawa, ASDF officials reported earlier.

The F-15 fighter, manned by Higuchi, crashed into the sea some 10 kilometers south of Hegura Island at around 8:40 A.M. while it was on a flight to a training zone over the Sea of Japan, the officials said.

According to the Defense Agency, safety mechanisms to prevent the firing of the missile were in place, but the missile was discharged after a series of errors.

The agency said it is the first time for a jet to crash from an accidental missile firing in Japan, and added it is taking the matter seriously and has initiated an investigation.

Further on ASDF Fighter

OW2211104995 Tokyo KYODO in English
1032 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — A Japanese Air Self-Defense Force (ASDF) F-15 fighter jet accidentally fired a missile which hit and downed another F-15 while the two planes were engaged in a drill over the Sea of Japan on Wednesday [22 November] morning, the Defense Agency said.

It is the first time an ASDF jet has crashed because of a missile being accidentally fired and the cause of the incident is under investigation, agency officials said.

The pilot of the crashed plane, 1st Lt. Tatsumi Higuchi, 30, parachuted to safety and was rescued by a fishing boat. He was then picked up by a helicopter sent from the ASDF base in Komatsu in the coastal prefecture of Ishikawa, they said.

Higuchi's plane crashed into the Sea of Japan some 10 kilometers south of Hegura Island around 8:40 A.M. [2340 GMT] while it was engaged in a one-on-one dogfight drill with the other plane at an altitude of 1,000 meters.

After the other plane had simulated a face-to-face firing maneuver with Higuchi's, it moved around to his rear, and then one of the two air-to-air missiles it was carrying suddenly sprang out and hit the tail of his plane, the officials said.

The safety equipment to prevent the firing of the missiles was in place, but the missile was discharged, probably as a result of a wrong electrical signal, they said.

The missile in question, the AIM9I also known as the Sidewinder, is made in Japan under license by the United States. It has a cruising speed of Mach 2.5 and a range of some 7.5 kilometers.

The Defense Agency said it has decided to stop loading F-15 planes with the AIM9I missiles.

The ASDF planes usually do not use live ammunition for drills, but the two F-15 planes were carrying the missiles because they were on a scramble mission, according to the agency.

The agency also said there were four similar accidents with the ASDF planes in the past in which missiles were accidentally discharged without the pilots' operation, but none of them occurred while the planes were flying.

One of the four accidents occurred at the base in Ibaraki Prefecture in 1986, when a missile was fired from an F-15. Because the missile itself was not properly insulated, it reacted to a wrong electrical signal.

Chief Cabinet Secretary Koken Nosaka told a news conference the government would examine the cause of the accident.

"We will carry out a thorough investigation and do our utmost to prevent recurrence of such an accident," he said.

Sophisticated 'Intelligence' Building Completed

OW2211103295 Tokyo YOMIURI SHIMBUN in Japanese 21 Nov 95 Morning Edition p 1

[FBIS Translated Text] An "intelligence" building with the most sophisticated devices for preventing espionage has recently been completed within the Foreign Ministry in Kasumigaseki, Tokyo, and will start operating next spring. This new Foreign Ministry building has seven stories above ground and three under ground, and it aims at concentrating the intelligence-concerned functions that are dispersed among existing buildings. The communications department in charge of telecommunications, the information management section dealing with databases, and the passport department will move to this building.

While an alleged wiretapping case against Japan by the U.S. Central Intelligent Agency (CIA) has been reported recently, a Foreign Ministry official proudly stated: "Finally, we can catch up with the United States in terms of measures to prevent espionage."

Regarding counterintelligence measures, the building's windows are smaller than those of other buildings in Kasumigaseki. The doors in the entrance hall and those used to shut off the inner areas have been reinforced, just like those used in a bank vault, and no employee without a special card or code can go into this inner section.

It has been strongly stated that Japan's intelligence management has fallen behind compared with countries such as the United States, Russia, and Great Britain. However, we can say that a strongpoint has at the long last been set up for us to engage in "intelligence warfare."

Economic Survey Mission to Pakistan Postponed

OW1911160595 Tokyo KYODO in English 1541 GMT 19 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO — The Japanese Government postponed the scheduled dispatch of a large-scale economic survey mission to Pakistan on Sunday [19 November] in the wake of the explosion at the Egyptian embassy in Islamabad, government officials said.

The blast broke windows at the nearby Japanese embassy and three Japanese officials and eight Pakistani employees were slightly injured.

The Japanese economic survey mission was originally scheduled to visit Pakistan from Monday to Nov. 29 for promoting bilateral economic cooperation, the officials said.

At least 13 people were killed and more than 60 others were injured by the blast.

Malaysia Concerned Over Effects of Strong Yen

OW1911110595 Tokyo KYODO in English 1029 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Malaysian Foreign Minister Abdullah Badawi voiced strong concern Sunday [19 November] over the high yen, saying it is enlarging Malaysia's trade deficit with Japan and costing the country export competitiveness, Japanese officials said.

Badawi raised the issue in a meeting with his Japanese counterpart Yohei Kono.

While Kono said there are both advantages and disadvantages to exchange rate fluctuations and that Japan has already lowered interest rates on official yen loans, Badawi said Malaysia has "strong concerns" over the problem and that he hopes Kono will convey them to the Japanese officials concerned.

The Malaysian foreign minister was quoted as saying the large deficit with Japan is caused mainly by the stronger yen, which has boosted the costs of purchasing Japanese parts and capital goods.

Products using Japanese parts are losing export competitiveness because the prices of these products have gone up, he was quoted as saying.

Badawi also told Kono that the strong yen is lifting the costs of using Japanese ships and insurance plans.

Turning to the situation in the former Yugoslavia, the Malaysian foreign minister called for Japanese financial assistance for the reconstruction of the region.

Malaysia is striving to solve the conflict in the Balkans through the Organization of the Islamic Conference (OIC), Badawi was quoted as saying, adding that it will continue to exchange information and hold dialogue with Japan on the issue.

Kono replied that he has told U.S. Secretary of State Warren Christopher that Japan hopes to be consulted in advance when a reconstruction package for the Balkans is devised, the officials said.

Kono meanwhile thanked Malaysia for its contribution in the Korean Peninsula Energy Development Organization (KEDO) set up to convert North Korea's nuclear program and for its support for a UN resolution urging an immediate end to nuclear testing.

The resolution was submitted by Japan and 40 other countries and adopted on Thursday at the UN General Assembly's first committee.

EPA Chief on Economic Recovery, Loan Problems

OW2211083795 Tokyo KYODO in English 0813 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — Japan's economy will begin heading for recovery early next year on a 14.22 trillion pump-priming package adopted by the government Sept. 20, Economic Planning Agency (EPA) Chief Isamu Miyazaki said Wednesday [22 November].

Speaking at a private meeting sponsored by KYODO NEWS SERVICE, Miyazaki said signs of business recovery have already been increasing, pointing to improvement in spending on public projects and corporate capital spending as examples.

Though there is criticism the package is not substantial enough to stimulate the sluggish economy, Miyazaki said, "It is the biggest package ever in terms of its 8 trillion yen 'pure water' part, or fresh fiscal spending on public projects that directly generates actual demand, and I believe it will lead to an economic recovery."

Miyazaki also said the nation's real economic growth for fiscal 1995 ending March next year will be around 1 percent, 1.8 percentage points lower than the government' original growth forecast, but that for the next fiscal year will rise to around 2 percent.

Touching on the prolonged problem of the huge amount of nonperforming loans held by Japanese banks and other financial institutions, Miyazaki stressed the need to study a concrete way to solve the problem by the end of this year.

"I don't think the (bad loan) problem will lead to a collapse of the Japanese financial system itself, but it is important to deal with it as soon as possible," he said.

Miyazaki said most Japanese banks and financial institutions have enough capacity to solve the problem on their own within three years if they really try to do so.

In relation to a review of the current land transaction taxation system discussed at the government's tax commission, Miyazaki expressed opposition to its scrapping, saying it is not appropriate to change only one system now and the government must consider an overall review of the whole taxation system in order to help buoy the economy.

Asked about the domestic unemployment situation which remains at a record high level, Miyazaki voiced a pessimistic view.

"Even if the economy recovers, it will not directly lead to an increase in employment as deregulation by the government will likely cause overemployment in some sectors," said the nation's top economic planner.

Panel 'Inclined' Toward Easing Land Taxes

OW2111130595 Tokyo KYODO in English 1153 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — The Tax Commission is inclined toward easing land-related taxes in taxation reform for fiscal 1996 that starts next April, the head of the advisory panel to the prime minister said Tuesday [21 November].

Commission members are reaching recognition, however, that the "utmost" tax measures are necessary in light of sluggish economic activity while maintaining the existing taxation system, Kan Kato said at a press conference following the panel's general meeting.

While debate at the commission is departing from extremes such as no reform of the taxation system or its return to that of the days before the economic "bubble" of inflated stock and asset prices, members are starting to agree on the need to lower land-related taxes under the existing system, Kato said.

The governmental tax panel will begin deliberations on tax reforms for fiscal 1996 on Nov. 30 to compile a report by Dec. 15, officials familiar with the commission said.

Kato indicated that fiscal 1996 reforms will not involve a wholesale review of the existing system including those for taxes on financial and securities trading as well as corporate and fixed property taxes.

BOJ Official on Idea of Holding Firms for Banks

OW2211103595 Tokyo KYODO in English
0927 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — A senior Bank of Japan (BOJ) official Wednesday [22 November] supported the idea of introducing stock holding companies into the financial sector.

"Holding companies, if they are established, will help activate functions of financial institutions by making management more effective and promoting disclosure of information through external checks on management," BOJ senior Deputy Governor Toshihiko Fukui said at a press conference.

He met the press on behalf of BOJ Governor Yasuo Matsushita, who has been hospitalized since early November for the removal of a prostate tumor.

Fukui made the comment after an expert panel of the Financial System Research Council, an advisory body to the finance minister, decided Tuesday to study the lifting of a ban on holding companies as its central theme.

Fukui also said, "If financial institutions want to strengthen their capital base, they have to take measures that can gain understanding from investors."

Fukui said that if financial institutions want to issue preferred shares to improve their capital-to-asset ratios, those stocks should be sold in principle on the market.

"The introduction of public funds to buy such preferred shares is the last resort to secure the stability of the financial system," he said.

On the current economic situation, Fukui said, "The economy remains at a standstill, but the groundwork for recovery is now being laid."

Fukui also said Matsushita is in good condition and is expected to return to work in early December.

At the news conference, Fukui stressed the "merits" of the holding company in the financial sector.

"The system will allow one holding company to operate several subsidiaries engaged in banking, securities and other financial services, and this will promote restructuring efforts."

"Such a system will also prompt risk management measures and disclosure of information at each subsidiary under the umbrella of the holding company," he said.

Fukui also called on financial institutions to work out restructuring plans and promote disclosure if they are to take measures to strengthen their capital base while recovering from write-offs of nonperforming loans.

There are concerns that some banks will be forced to eat into their capital to help finance the disposal of problem loans.

This will make it difficult for those banks to continue international activities because their capital-to-assets ratios are expected to fall below the 8 percent level required by the bank for international settlements, which serves as the central bank for world central banks.

"The issuance of preferred shares or any measures to strengthen capital base should be subject to the market's supervisory functions," Fukui said.

There are calls in the industry for using public funds to create an organization to purchase preferred shares to be issued by banks.

But Fukui said the introduction of public funds should be considered only when there is no other way to maintain the stability of Japan's financial system.

Preferred stocks are those which pay a lower dividend than common stocks but have higher claims to assets of a corporation ahead of common stockholders.

Loan Losses of Kizu Total 960 Billion Yen

OW2211074495 Tokyo KYODO in English
0708 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — Loan losses at the bankrupt Kizu Credit Union stand at about 960 billion yen, the Bank of Japan (BOJ) and the Finance Ministry announced Wednesday [22 November].

Recoverable loans at the Osaka credit union total about 230 billion yen, they said.

They said Kizu's healthy loans are estimated at 120 billion yen against total assets of about 1.31 trillion yen.

The BOJ and the ministry revealed results of their inspections they had conducted since late September.

Kizu Credit, the largest credit union in Japan in terms of deposits, went bankrupt at the end of August, following an order by the Osaka Prefectural Government, its supervisor, to halt all operations except deposit withdrawals.

The losses of 960 billion yen are larger than the originally estimated 600 billion yen as real estate prices further declined and more of its outstanding loans recently went sour, the ministry said.

The ministry described as "abnormal" the fact that healthy loans are only 10 percent of total assets at Kizu.

The ministry said in a statement that the management of Kizu Credit should take "full responsibility" for causing the current plight at the credit union.

Financial authorities will consider filing a criminal accusation against Kizu's management, it said.

A senior BOJ official said banks with close ties with Kizu Credit should assume some financial burden in a scheme to liquidate the credit union.

Specifically, the official referred to banks that introduced deposits to Kizu.

But he did not name any banks in particular.

Sanwa Bank and other banks introduced Kizu's large-lot time deposits to corporate clients apparently as a way to win an order for lead-managing the issuance of corporate bonds by them.

Deposits made via Sanwa's introduction are said to account for the largest — 36 percent — of all deposits at the credit union during its peak in 1990.

The Finance Ministry said Tokyo Kyodou Bank will be reorganized into the Japanese version of the U.S. Resolution Trust Corp. (RTC).

The reformed Tokyo Kyodou Bank will play such a role for five years on a provisional basis, the ministry said.

The bank will swiftly take over operations of Kizu after a bill to convert it into the Japanese version of the RTC is presented to the next ordinary session of the parliament, the ministry said.

The RTC, based in Washington, was established in 1989 to dispose of bankrupt savings and loans entities.

The ministry said the Osaka Government also should put up part of the money needed in the disposal scheme for Kizu.

Privatization of Salt Monopoly Slated for 1997

OW2211025895 Tokyo KYODO in English
0224 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — The government will privatize its 90-year monopoly on salt production and marketing in April 1997 as part of its ongoing deregulatory efforts, Finance Ministry officials said Wednesday [22 November].

The decision is in line with recommendations submitted Wednesday to the finance minister by his advisory body, the Tobacco Industries Council, the officials said.

The decontrol on the salt business was proposed also as part of administrative reforms to abolish or merge some government-affiliated corporations, they said.

The panel advised that the present salt monopoly system be scrapped as soon as possible with a view to contributing to further development of the domestic salt industry and meeting diversified consumer needs, they said.

Currently, a division in the government-affiliated Japan Tobacco Inc. (JT) controls the nation's salt business through a system under which it designates companies for salt production and marketing.

The panel proposed a new system, under which any company will in principle be allowed to engage in salt production, import and wholesale after registering with the finance minister while any retailer can deal in salt freely, the officials said.

In order to ensure stable supplies to outlying areas and remote islands, however, it also proposed to create a government-supported nonprofit organization to deal in table salt for home and restaurant use, they said.

Japan consumes about 9 million tons of salt a year, including imports of about 7.5 million tons mainly for industrial use, they said. Of the total, only 350,000 tons is used for table salt.

The ministry is considering submitting a bill for a new law to replace the present salt monopoly law to an ordinary Diet session early next year, the officials said.

Under the new system, the nonprofit organization, tentatively called the "salt business center," will sell table salt at a fixed price to contracting distributors, who will determine retailing prices for consumers based on the standard selling price, the officials said.

In addition to table salt business, the center is to store up salt for emergencies, collect information and conduct surveys on salt production, import and distribution, and help promote the efficiency of the salt industry, they said.

Meanwhile, as exceptional steps for a transitional period of five years from the introduction of the new system, the panel recommended that the center supply salt of the same kind under the present monopoly system and solely import all salt except for industrial use, they said.

It also advised that salt makers sell their products only through the center or salt wholesalers during the transitional period, meaning that retailers cannot purchase salt directly from producers for a while to avoid confusion in domestic salt distribution, they said.

X-Ray Film Makers Suspected of Bid Rigging

OW2211122495 Tokyo KYODO in English
1124 GMT 22 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 22 KYODO — The Fair Trade Commission [FTC] has investigated more than 30 manufacturers of X-ray films on suspected violation of the Antimonopoly Law, commission officials said Wednesday [22 November].

They said investigators raided the head offices and branches of more than 30 makers, including Japan's top photosensitive materials maker Fuji Photo Film Co., in search for evidence.

The search also involved sales companies handling products of Fuji's U.S. rival Eastman Kodak Co., they said.

The officials said the companies were suspected of repeating negotiations to select the bid winner before tenders on X-ray film supplies to national hospitals across the nation.

The state-run hospitals held tenders on X-ray films four times a year, with both domestic and foreign suppliers invited to submit bids, the officials said.

Industry sources said Fuji Photo Film holds a dominant 50 percent share on the domestic X-ray film market, followed by Konica Corp., Japan's No. 2 manufacturer of photosensitive materials, and Eastman Kodak.

'Serious Accident' at Nuclear Plant Suspected

OW2111054195 Tokyo KYODO in English
0505 GMT 21 Nov 95

[FBIS Transcribed Text] Okayama, Japan, Nov. 21 KYODO — An antinuclear civic group suspects that a serious accident happened two years ago at a uranium enrichment plant in Okayama Prefecture, western Japan, and it is demanding that the operator disclose relevant information, group members said Tuesday [21 November].

They said the Okayama group mailed Tuesday open letters listing questions about the suspected accident to the government-run Power Reactor and Nuclear Fuel Development Corp. (Donen) and to the director general of the Science and Technology Agency, Yasuoki Urano.

The group says it has obtained an internal document from Donen's plant at Ningyo-Toge dated Aug. 4, 1993, which suggests problems occurred in 167 centrifugal separators used for uranium enrichment.

The document contains such expressions as "pipes severed, removed," and "centrifuges taken apart and reassembled."

"These words indicate that the accident was a serious and large- scale one," said a group member.

It is demanding that the date and conditions of the accident be revealed, as well as the reason why Donen did not report it to the Okayama prefectural authorities.

North Korea

NODONG SINMUN on U.S. Troop 'Crimes'

SK2211044295 Pyongyang KCNA in English
0354 GMT 22 Nov 95

["NODONG SINMUN Hits Out at Crimes of U.S. Troops in South Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 22 (KCNA) — NODONG SINMUN today bitterly denounces the recent bestial atrocities and crimes committed by the U.S. imperialist aggression troops against innocent South Korean inhabitants.

On the 17th and 18th, a drunken soldier belonging to the U.S. Air Force beat a barkeeper mercilessly, leaving him wounded heavily in Pyongtaek City, and soldiers of the U.S. second division stopped a running car in Tongduchon City and inflicted a group violence upon the chauffeur, provoking him groundlessly. Two other soldiers went to a bar in Suwon City, stole things and damaged the building before fleeing.

Commenting on this, the news analyst says: The U.S. Forces are behaving like master in South Korea for nearly half a century. They are the root cause of all misfortunes and sufferings the South Korean people have sustained, and aggressors and plunderers.

According to the curtailed data published by the puppet Ministry of Justice of South Korea, the crimes of the U.S. Forces in South Korea numbered 624 in 1993, 710 in 1994 and 499 in the first eight months this year. The U.S. aggression forces are committing atrocities in South Korea in a more undisguised way, fanned by the ugly flunkeyist and treacherous acts of the Kim Yong-sam group. Despite strong protests from the people, the puppets do not protest against the atrocities of the U.S. Forces which are being daily committed in South Korea. When criminals are caught red-handed by angry inhabitants, the puppets transfer them to the U.S. Forces side so that they may go unpunished.

The facts clearly show that as long as the aggression forces' policy of occupation and the treacherous policy of the Kim Yong-sam group continue in South Korea neither will the atrocities of the aggressors cease nor can the people live in peace.

KCNA Denounces U.S. 'Military Provocation'

SK2211083295 Pyongyang KCNA in English
0818 GMT 22 Nov 95

["Ceaseless Military Provocation and War Exercise" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 22 (KCNA) — The South Korean puppets introduced 90 mm recoilless guns and scores of puppet army soldiers armed with machine guns and automatic rifles into the Demilitarized Zone (DMZ) of the central and western sectors of the front on November 20, who took firing postures, according to military sources.

That day, the U.S. imperialist warmaniacs launched a long-distance surprising attack exercise against the North with tens of carrier-based assault planes belonging to the U.S. Pacific Fleet in the sky above Sangdong and Asan Bay of South Korea. An "RC-135" strategic reconnaissance plane carried out an electronic and photographing espionage on overall areas of the northern half of Korea.

Meanwhile, the South Korean puppets fired more than 900 shells and 12.7 mm machine gun and automatic rifle bullets toward the DMZ of the western sector of the front.

This is an intentional and premeditated provocation of the U.S. imperialists and the Kim Yong-sam clique to aggravate the situation.

Kim Chong-il Meets Public Security Members

SK2211000495 Pyongyang KCNA in English
2330 GMT 21 Nov 95

[FBIS Transcribed Text] Pyongyang, November 22 (KCNA) — The great leader Comrade Kim Chong-il on November 18 met and congratulated the participants in a national meeting of public security men and had a picture taken with them.

When he appeared, they warmly welcomed him with enthusiastic cheers of "hurrah" [no end punctuation mark as received]

Present on the occasion were Kye Ung-tae, member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, and vice marshal of the Korean People's Army Paek Hak-nim, minister of public security.

Comrade Kim Chong-il congratulated the participants in the meeting, who had reliably defended the gains of the Korean revolution and the lives and property of the people in the frontline of the class struggle with intense loyalty to the party and the leader and the spirit of devoted service for the people. He also expressed the belief that they will continue creditably discharging their mission and duty as political defenders of the Workers' Party of Korea.

Public Security Officers Hold Meeting 19-21 Nov

SK2211061195 Pyongyang KCNA in English
0349 GMT 22 Nov 95

[FBIS Transcribed Text] Pyongyang, November 22 (KCNA) — A national meeting of public security officers took place in Pyongyang from November 19 to 21.

It summed up the achievements made by the public security officers in their struggle to defend the gains of the revolution and the homeland of chuche, bearing in mind their duty as the executors and guards of laws under the wise guidamce of the party and the leader, and discussed measures to firmly defend Korean-style socialism by law by intensifying the work for public security still further.

Kye Ung-tae, member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea [WPK], conveyed a congratulatory message of the WPK Central Committee to the participants in the national meeting of public security officers.

The message said that from the first days of its foundation, the public security organ defended the absolute authority of the great leader Comrade Kim Il-song in every way and waged the daring struggle to decisively smash the manoeuvrings of the counterrevolutionary hostile elements, holding high the sword of revolutionary dictatorship and thus made great contributions to successfully carrying on the revolutionary struggle and construction of various stages.

"It is the great pride of our party and people to have the political guards of the party which has firmly defended our party and the political security of the socialist country in the rigorous revolutionary road with unfailing loyalty to the party and the leader and a high degree of revolutionary and popular character," it stressed.

It noted with high appreciation that in the past, the public security organ and public security officers performed remarkable exploits in firmly defending the cause of the party and building up the driving force of the Korean revolution by carrying through the party's policy on public security under the guidance of the party and the leader.

It expressed the firm belief that all the public security officers would firmly defend the cause of Korean-style socialism, closely rallied around the respected supreme commander Comrade Kim Chong-il in one mind, so as to live up to the deep trust and expectation of the party.

Chae Mun-tok, director of the Political Department of the Ministry of Public Security, delivered a report, which was followed by speeches.

The reporter and speakers called on all the public security officers to creditably discharge their noble duty by bringing about a revolutionary turn in the work for public security, upholding the leadership of the respected supreme commander with loyalty.

"It is the greatest honour to hold the respected supreme commander Comrade Kim Chong-il in high esteem," they said, adding: "It is also the greatest event in the history of the strengthening and development of the public security organ that we are under the tested guidance of the general."

They declared that they would further strengthen the public security organ into a reliable political defender of the party and prepare all the public security officers to be true loyal subjects who trust and follow only the respected supreme commander.

A message of pledge to General Kim Chong-il was adopted at the meeting.

Visit Kumsusan Palace

*SK2011034995 Pyongyang KCNA in English
0222 GMT 20 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — Participants in the national meeting of public security officers paid homage to the great leader President Kim Il-song at Kumsusan Memorial Palace on November 19.

They made bows before the statue of President Kim Il-song.

They expressed respects for President Kim Il-song who is preserved in state.

Official Promotes Smaller Power Plants

96P30032A

[FBIS Editorial Report] The July Pyongyang CHOLLIMA in Korean on pages 68-69 quoted Kil Hun-chin, chief of the DPRK Power Industry Ministry's Guidance Bureau for Small- and Medium-Sized Power Plants, as saying that building small- and medium-sized power plants is a "very effective" way to guarantee that North Korea will have sources of power supply during wartime. Kil added that these smaller power plants are likely to suffer less damage than large power plants during a war. In principle, he said, small- and medium-sized power plants should be built using local manpower and materials, thus, they could be constructed in a short time with effective planning. He asserted that the country should devote major efforts to building large power plants, but at the same time strive to build smaller power plants in order to rapidly increase power production. Kil explained that the construction of smaller power plants does not require a major investment if it is done in connection with water resource management projects involving irrigation systems, river improvement work, and flood damage prevention measures. According to Kil, North Korea currently has over 1,000 small- and medium-sized power plants, and South Hamgyong Province alone has built several hundred of these plants that are supplying power for residential lighting and heating, as well as for local industrial enterprises.

Small- and medium-sized power plants can help reduce losses of electricity during the distribution process and enable provinces to become self-sufficient, according to Kil. He recommended that electricity produced by large power plants be supplied to major industrial areas and cities. He added that it is more economical for the countryside to rely on locally generated power to meet a lower demand and to reduce power losses that occur in the distribution process to remote rural areas. Kil listed the following counties as being almost self-sufficient in power supply: Usi, Changgang, Taehungdan, Yodok, Yangdok, Yongkwang, and Toksong.

Another article in the same issue of CHOLLIMA on pages 70-71 quoted an unnamed Power Industry Committee official as saying that Yanggang Province has built numerous small- and medium-sized power plants on streams and small rivers throughout the province, which are providing "not a small amount" of power to the province. The official mentioned particularly Karimchon No. 5 Power Plant, Yimyongsu No. 10 Power Plant, Taehungdan Nos. 1, 2, and 5 Power Plants for their "large" production. Kapsan Mine has nine such power stations for its mining village, and Mt. Paektu Secret Camp forest work stations operate a production system which supplies power to not only residential and office buildings but also schools and greenhouses, according to the official.

Central Committee of Women's Union Holds Meeting

SK2111051395 Pyongyang KCNA in English 0306 GMT 21 Nov 95

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA) — The 22nd plenary meeting of the Central Committee of the Korean Democratic Women's Union (KDWU) was held here on November 19.

Discussed at the plenary meeting were tasks outlined in the historic work of the great leader Comrade Kim Chong-il "The Workers' Party of Korea Is the Party of the Great Leader Comrade Kim Il-song" and in "Let Us Accomplish the Revolutionary Cause of Chuche Under the Banner of the Great Party," a joint editorial carried by the newspapers NODONG SINMUN, CHOSON INMINGUN and NODONG CHONGNYON.

It was stressed at the meeting that the KDWU organizations should hold the great leader Comrade Kim Il-song in high esteem for all ages with the belief that he is always with the Korean people and defend and glorify the undying revolutionary feats he performed for the Korean revolution and the independence of humankind.

The meeting called on all the KDWU officials and members to remain loyal and devoted to Comrade Kim Chong-il, have a revolutionary spirit of implementing the party's line and policies to the letter and work hard to make their country, their motherland more prosperous.

Kim Chong-il Congratulates Law Officials

SK2211001395 Pyongyang KCNA in English 2332 GMT 21 Nov 95

[FBIS Transcribed Text] Pyongyang, November 22 (KCNA) — The great leader Comrade Kim Chong-il Saturday [18 November] congratulated judicial and procuratorial officials on the 50th anniversary of the judicial and procuratorial organs and had a souvenir picture taken with them.

When he appeared at the photographing place, judicial and procuratorial officials enthusiastically welcomed him with stormy cheers "hurrah " [no end punctuation mark]

Present was Kye Ung-tae, Politburo member and secretary of the Central Committee of the Workers' Party of Korea.

Comrade Kim Chong-il congratulated judicial and procuratorial officials who have greatly contributed to firmly safeguarding our socialist system and creditably defending the chuche revolutionary cause by law on the forefront of the class struggle with intense loyalty to the party and the leader in the past 50 years

Kim Chong-il Writes to Broadcasting Committee

SK2111050295 Pyongyang KCNA in English 0303 GMT 21 Nov 95

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA) — The great leader Comrade Kim Chong-il read a letter from the employees of the Radio and TV Broadcasting Committee of the Democratic People's Republic of Korea and sent an autograph letter to them.

The autograph letter reads:

"I send congratulations once again to all the comrades of the DPRK Radio and TV Broadcasting Committee on the 50th anniversary of the start of radio broadcasting.

"Demonstrate the spirit of socialist Korea all over the world through loud broadcasts in a proud, dignified and powerful manner!

[Dated] November 17, 1995

[Signed] Kim Chong-il"

The employees of the DPRK Radio and TV Broadcasting Committee recently held a meeting to carry through the militant tasks put forward at a recent national meeting of broadcasting workers and sent a letter to Comrade Kim Chong-il.

In the letter they referred to Comrade Kim Chong-il's deep trust in broadcasting workers, and said that they would view the kaleidoscopic phenomena in the world from the same viewpoint as Comrade Kim Chong-il's to discriminate between good and bad; think and act all in accordance with his intention; speak and work as demanded by the party; and thus become true loyal subjects and broadcasting workers modeled after him.

They went on to say that they would announce every word, take every picture and write every item in order to broadcast his ideas all over the world, show the socialist paradise under his guidance and tend the large flower garden of singlehearted unity overflowing with human ardour of chuche thanks to his virtues.

They vowed to remain true to their pledge and their faith and trust him alone and always share life and death with him.

They added that their firm spirit of creation and mode of activity are to live like a soldier on the front even in peace time, write articles wherever wanted by him, go through any difficulties with cameras and inform him of good news through mike [word as received] even in the last moments of their lives.

ROK Labor Groups Protest Murayama's Remarks

SK2011095195 Pyongyang KCNA in English
0844 GMT 20 Nov 95

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — Members of the Seoul Council of Labour Movement Organizations held a rally at Tapkol Park in Seoul on November 18 to urge an open apology for Tomiichi Murayama's remarks and sanction of the nullification of the "Korea-Japan Annexation Treaty", before staging a street demonstration, a South Korean radio said.

In a statement they criticized as "negation of historical truth" Murayama's remarks that "Korea-Japan annexation was realized through legitimate procedures" and the remarks of Takami Eto, former chief of the Management and Coordination Agency, that Japan "had done good things, too, for the Korean peninsula" during its colonial rule over Korea, and urged a sincere apology of Japan.

They branded the incessant utterances of Japanese cabinet members as a plot aimed at "revival of militarism", not a casual mistake and demanded that institutional mechanism be arranged to decisively prevent such cases.

After the rally, they held a street demonstration up to the Japanese Embassy in protest against the criminal remarks of the Japanese ruling quarters.

Czech-Korean Association Issues Bulletin

SK1811101595 Pyongyang KCNA in English
0927 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The Mt. Paektu Czech-Korean Friendship Association recently issued the bulletin "Mt. Paektu" No.4.

The bulletin carried the full text of the message of greetings sent by the association to the great leader Comrade Kim Chong-il on the occasion of the 50th anniversary of the Workers' Party of Korea [WPK].

The bulletin edited "50th Anniversary of the WPK", "Slogan of the WPK", "Great Program for Korea's Reunification" and other articles.

The bulletin also introduced the main contents of the proposal for foundation of the Democratic Confederal Republic of Koryo and the 10-point program of the great unity of the whole nation put forward by the great leader President Kim Il-song and the popular educational policy of the WPK and the DPRK Government.

Japanese Professional Wrestling Party Arrives

SK1811103795 Pyongyang KCNA in English
0939 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — Kanji Inoki, president of the New Japan Professional Wrestling Co., Ltd., and his party arrived here today by air.

Visits Kim Il-song's Statue

SK2011041295 Pyongyang KCNA in English
0224 GMT 20 Nov 95

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — Kanji Inoki, president of the New Japan Professional Wrestling Co., Ltd., and his party visited Kumsusan Memorial Palace on November 19 to pay homage to the great leader President Kim Il-song.

The guests paid their respects to President Kim Il-song's statue and made bows to President Kim Il-song who is preserved in state.

The president wrote in the visitor's book that the great President Kim Il-song is always with the people and he hoped that world peace and Korea's reunification, for which he had desired, would be achieved at an early date.

He added he extends thanks to His Excellency Kim Chong-il, who complied with his wishes to meet President Kim Il-song.

They laid bouquets of flowers before the statue of President Kim Il-song on Mansu Hill on November 18 and made bows.

Meets Committee Leader

SK2011100895 Pyongyang KCNA in English
0933 GMT 20 Nov 95

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — Kim Yong-sun, chairman of the Koran Asia-Pacific Peace Committee, today met and had a friendly talk with Kanji Inoki, president of the new Japan Professional Wrestling Co., Ltd., and his party.

Japan-DPRK Group Celebrates 20th Anniversary

SK2111051495 Pyongyang KCNA in English
0309 GMT 21 Nov 95

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA) — The twentieth anniversary of the formation of the Hokkaido Prefectural People's Council for Japan-Korea Solidarity was celebrated in Sapporo, Hokkaido, over November 6-8.

A lecture was given under the title "50 Years After the War And Japan-Korea Relations."

In the lecture Prof. Yasuhiro Maeda of Gita Kyusu University criticized repeated wrong remarks of Japanese Cabinet members concerning Japan's act of aggression. He said their remarks were attributable to the fact that the policy of the colonial era has not been liquidated but been carried forward though 50 years have passed since the end of the war.

Then, speeches were made and a celebration was held.

Addressing the celebration, Chairman of the Council Koichiro Konaya called for making this year, 50 years after the war, an epoch-making year in promoting the normalization of diplomatic relations between Japan and the Democratic People's Republic of Korea.

Meanwhile, a photo exhibition took place under the title "The North and the South of the Korean Peninsula."

Korean Bomb Victims Visit Kumsusan Palace

*SK1911082495 Pyongyang KCNA in English
0628 GMT 19 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — The home-visiting group of Korean A-bomb victims in Hiroshima prefecture, Japan, led by Yi Sil-kun, chairman of the Hiroshima prefectural council of Korean A-bomb victims, and overseas Koreans staying in the socialist homeland on November 18 visited the Kumsusan Memorial Palace in which the great leader President Kim Il- song is preserved in state, and made deep bows to his statue.

Yi Sil-kun wrote in the visitor's book that they have been more firmly convinced that the great leader Generalissimo Kim Il-song is always with them.

Our overseas Koreans will invariably uphold the great leader Marshal Kim Chong-il, he stressed.

Earlier, the home-visiting group of Korean A-bomb victims in Hiroshima prefecture, Japan, and the overseas Koreans laid bunches of flowers and made bows before the statue of President Kim Il-song on Mansu Hill.

Group Leaves for PRC Power Company Meeting

*SK2011100795 Pyongyang KCNA in English
0933 GMT 20 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — A Korean delegation led by Pak Ul-yong, vice-minister of power industry, left here today by train to attend the 48th meeting of the Board of Directors of the Korea-China Hydro-Electric Power Company to be held in China.

Winter Excursions Begin on Mt. Paektu

*SK2111054895 Pyongyang KCNA in English
0312 GMT 21 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA) — A winter excursion to the revolutionary battle sites on Mt. Paektu, a holy mountain of revolution, has begun.

The winter excursion march is organised to learn from the wise guidance and undying exploits of the great leader President Kim Il-song and follow the revolutionary spirit of the anti-Japanese revolutionary fighters intensely loyal to him. The march begins with a visit to the monument to the victorious Pochonbo battle after a starting-ceremony before the revolutionary monument telling the leadership exploits of the great leader Comrade Kim Chong-il in opening the road of excursion.

The marchers will visit Pochonbo, lake Samji and Mt. Paektu secret camp, the holy land of revolution, and Taehongdan, Sinpa and other revolutionary battle and historical sites covering 400 kilometres.

The current excursion march will continue till April next year, which will be participated in by working people and youth and students including agricultural workers across the country.

South Korea

'War of Nerves' Over Meeting To Revise SOFA

*SK2211072395 Seoul KYONGHYANG SINMUN
in Korean 22 Nov 95 p 2*

[Report by Yi Chol-sung]

[FBIS Translated Text] The ROK and the United States are having a war of nerves on finalizing the agenda and contents of the meeting on revision of the Status of Force Agreement (SOFA) scheduled for next week.

A Foreign Ministry official said on 21 November: "The United States has not notified us of the agenda of the SOFA revision meeting, or given us a list of the members of the special committee. During preliminary contacts, the United States asked for our opinion on amending only the procedures rather than the text of the SOFA." The ROK and the United States agreed on 2 November to form a special committee comprising experts from both countries by the end of November, and to hold negotiations on the revision beginning next week. The special committee will finalize the revision of criminal jurisdiction by the end of January 1996.

Results of Economic Consultations With U.S.

SK2211091595 Seoul YONHAP in English 0903 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — The United States rejected Wednesday a repeated South Korean proposal that a visa waiver agreement be concluded to facilitate exchange of peoples between the two countries, a senior Foreign Ministry official said.

"The United States insisted that its embassy here should record a 98 percent or higher visa acceptance rate before considering the signing of a visa waiver agreement," said Chang Ki-ho, director general of the Foreign Ministry's International Trade Bureau. The rate for South Korea currently is about 93 percent.

"The U.S. side, however, pledged to make every effort to expedite issuance of visas for Koreans," said Chang, who briefed reporters on the outcome of the 13th economic subcabinet consultations between the two countries.

Vice Foreign Minister Yi Si-yong and Undersecretary of State for Economic and Agricultural Affairs Joan Spero represented South Korea and the United States, respectively, at the annual bilateral economic talks.

In a rare discussion of the economic plight of North Korea at the summit, the American delegation stressed the importance of making the North's closed society feel the need for structural reform to escape its current economic difficulties, Chang said.

"The U.S. side wanted to seek ways to launch joint projects with North Korean firms in an effort to have the North ease its stringent system through economic cooperation," he added.

Washington also expressed interest related to investments in the North's Najin-Sonbong Special Economic Development Zone.

The South Korean side, however, expressed that improved inter- Korean relations, including progress in dialogue, should precede any economic cooperation between the two countries, he said.

To solve pending issues on the access by American beef manufacturers to the Korean market, the two sides agreed to hold talks early next month.

U.S. representatives also pointed out that America's biggest firm in the field of telecommunications, AT&T, failed to take part in a bid recently offered by Korea Telecom (KT), he said.

Both countries agreed to help AT&T and KT to solve the issue on the unofficial level while pledging to render government-level assistance through bilateral consultations. They agreed to look into the issue surrounding the compatibility of some AT&T telecommunications products in the Korean market.

The two sides also agreed that they will not oppose China's efforts to join the World Trade Organization (WTO) unless Beijing maintains its nation's non-tariff trade barriers.

Dacom, MCI Agree To Boost Bilateral Ties

SK2111055395 Seoul THE KOREA HERALD in English 21 Nov 95 p 8

[FBIS Transcribed Text] Dacom and MCI of the United States have agreed to boost bilateral ties in the overall telecommunications fields.

The agreement was reached during a meeting between Dacom president Son Il-su and MCI chairman Jerry Taylor at the Dacom building in downtown Seoul yesterday. Seth Blumenfeld, president of MCI, and Lawrence Codavovi, vice president of MCI International Services, also attended the meeting.

Kim Yong-sam Meets With U.S. Film Directors

SK2111124695 Seoul YONHAP in English 1236 GMT 21 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP) — President Kim Yong-sam met visiting American film directors Steven Spielberg and Jeffrey Katzenberg at Chongwadae [presidential offices] Tuesday afternoon to discuss Korea's movie industry and other matters of common interest.

During the meeting, President Kim asked director Spielberg to provide technical and other assistance for the development of the Korean film industry.

In response, Spielberg said he was impressed at the warmth and passion of the Korean people during his current visit here.

"I will be in close ties with South Korea and will spare no efforts for the development of the Korean movie industry," Spielberg said.

He in particular said President Kim's voice is ideal for use in documentary. "I feel like producing, if an opportunity comes, a documentary containing President Kim's voice and figure," the world-renowned director said.

U.S. Paper's Report on 'Rice Cake Money' Denied

SK2211131895 Seoul YONHAP in English 1247 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — South Korean public officials were reacting furiously

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U.S. Paper's Report on 'Rice Cake Money' Denied

SK2211131895 Seoul YONHAP in English 1247 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — South Korean public officials were reacting furiously

Wednesday to a foreign newspaper report that they used to receive "rice cake money" from industries on traditional holidays.

THE WALL STREET JOURNAL [WSJ] of the United States reported on Tuesday [21 November] that South Korean industries bear the burden of handing 5 million to 15 million won in "rice cake money" to government ministers on traditional holidays.

The daily went on to say it asked the information officials of the Finance-Economy and International Trade-Industry Ministries for comments on the alleged practice. But, they declined to comment, the report said.

The spokesman of the Finance-Economy Ministry lodged a strong protest with the journal's Seoul Bureau over the report on Wednesday.

He said that the journal, contrary to its claim, did not ask him for any comment.

The journal also reported on last Oct. 23 that South Korean public officials are paid expenses for overseas trips or other bribes when they give some overseas business or other permits to industries, the spokesman said.

Meanwhile, the Information Ministry was working on some steps to deal with the report, stating that the WSJ report brands whole South Korean public officials as corrupt people.

'Team Spirit' 'Trump Card' in 'Political Poker'

SK2211072495 Seoul THE KOREA TIMES in English 22 Nov 95 p 3

[By staff reporter O Yong-chin]

[FBIS Transcribed Text] Top brass in the South Korean Army appear to be divided over the wisdom of not conducting the annual joint military exercise with the United States, "Team Spirit," for the third year in a row.

The two countries declared during the Nov. 2-3 Security Consultative Meeting in Seoul that their largest scale war game will stay on hold next year should North Korea abide by the nuclear agreement it reached with the United States last October. The two countries suspended and cancelled Team Spirit [TS] in 1994 and 1995 to induce the North not to pursue its own nuclear program.

With the situation as it is, the military, being in no position to argue with the government decision, has managed to live without Team Spirit despite fears it will lose its joint military readiness with the United States, the backbone of the defense posture against the North. The defense-oriented exercise has involved up to 100,000 soldiers of both countries, including some dispatched from the U.S. mainland, and offered the opportunity to field-test their capabilities on the basis of a scenario of an invasion by the North.

After having foregone two TS's, some of the South Korean military leaders seem to be having second thoughts, although others have started to think seriously about abolishing the drill altogether and devising new ways of preserving readiness without it.

Those questioning the "No TS" decision are mainly traditional military strategists who see the South as losing part of its military readiness by not conducting the exercise in a situation in which the North's military threat remains very much alive.

"It is important to maintain every ounce of our military readiness but I fear a bit of it will be lost by not conducting the Team Spirit exercise," a senior Defense Ministry official said on condition of anonymity.

"Although our position is such that we can prevent our preparedness from slipping by strengthening existing small scale military exercises, it is obvious that we will lose some," he said. There are several joint military exercises conducted by South Korea and the United States but their scale is far smaller than that of Team Spirit. Most of them are command post exercises (CPX) or simulated war games that do not require much in the way of real troop and equipment movements.

"Team Spirit is the closest we can get to a real war to prepare against possible North Korean armed provocation," he said.

In contrast, other leaders have accepted the perennial cancellation of the Team Spirit military exercises as a shift in the war game situation around the globe with some of them predicting that Team Spirit's days are numbered.

"Conventional conceptions of war are being replaced by new ones, and this requires a new style of war game," one Army general said. "For instance, a U.S. intercontinental bomber can fly from and return to the United States in one day.

"With military mobility beefed up, more CPX will be introduced and will replace such conventional war games, as Team Spirit," he said. "Thus, no TS doesn't necessarily mean a weakened military posture."

Although the two sides differ on the wisdom of not conducting Team Spirit exercises, they share the common view of its symbolic importance and practical effectiveness in deterring the North from staging military aggression against the South.

Military experts say that Team Spirit illustrates South Korea and the United States' allied determination to jointly defend the Korean Peninsula against a possible North Korean invasion.

"As long as it has such an effect on the North, it is likely that the South, and the United States will play it as a trump card in a complicated political poker game with the North," he said.

Chang Song-u Named DPRK's 3d Corps Commander

SK2211042095 Seoul CHUNGANG ILBO in Korean 22 Nov 95 p 10

[From the column "North Korean News"]

[FBIS Translated Text] In early October, North Korea appointed Chang Song-u, an in-law of Kim Chong-il and director of the Political Department of the Public Security Ministry, as corps commander of the 3d Corps, which defends the Pyongyang area. Chae Mun-tok replaces Chang in the Public Security Ministry.

Reporting on the meeting marking the 50th founding anniversary of public security organs, North Korea's Korean Central News Agency [KCNA] on 19 November referred to Chae Mun-tok, a speaker at the meeting, as the political director of the Public Security Ministry, thus, confirming the replacement.

Intelligence authorities revealed that Chang Song-u has been appointed commander of the 3d Corps, which is in charge of defending the Pyongyang area.

Chang Song-u is the elder brother of Chang Song-taek, Kim Chong- il's brother-in-law and director of the Youth and Three Revolutions Teams of the Workers Party of Korea Central Committee. Chang Song-u gained much attention when he commanded the military parade for the 50th founding anniversary of the party on 10 October.

Kim Chong-il Conducts 'Purge' of Military Ranks

SK2211060995 Seoul CHUNGANG ILBO in Korean 22 Nov 95 p 10

[Article by Choe Won-ki: "Large-scale Purge of North Korean People's Army Conducted Under the Pretext of Eliminating Irregularities and Corruption"]

[FBIS Translated Text] Kim Chong-il has recently started a large-scale "purge of the People's Army." For example, he submitted almost 100 officers for trial by court-martial on charges of irregularities and corruption. A source in Seoul, well versed in North Korean military affairs, said on 22 November: "The fact that the purge was recently expanded to the entire military, is noteworthy."

Eliminating irregularities and corruption is the pretext which Kim Chong-il has used in purging the military. A majority of People's Army officers, ferreted out in the anticorruption campaign, have reportedly been submitted for trial through court-martials on charges of embezzlement of military materials and despotic acts against civilians, and sentenced to over five years in prison in their initial trials. While North Korean law stipulates that a military man can appeal his case in an appeals court, in reality, the court-martial is operated under a single-trial system.

The most interesting point is the nature of the current military purge. According to intelligence information, Kim Chong-il has conducted a partial purge of deputy division commander-level generals since last summer. Then, why has Kim Chong-il now expanded his purge?

Another question regards the significance of the military purge. Corruption in the People's Army is not a new phenomenon. There is even a saying that goes: "The Ministry of the People's Armed Forces steals indiscriminately; corps, furtively; regiments, in succession; companies, again and again; platoons, quietly; and squads, recklessly." Why has Kim Chong-il, who is well aware that corruption is not a new phenomenon, started an anticorruption campaign?

Experts say the purge may be proof that the Kim Chong-il regime is being strengthened. Dr. Chong Yong-tae, of the Research Institute for National Unification, says: "The military purge does not seem to have been started by Kim Chong-il with any specific political objective, but as a preventative measure against unforeseen dangers." He also says: "This may also be proof that Kim Chong-il has confidence in his regime." He goes on to say that the fact that Kim Chong-il has laid a finger on the military means that he has assumed complete control over the military. Dr. Kim Ku-sop, of the Korea Institute for Defense Analyses, says: "Purges of the People's Army have taken place sporadically since the fifties, even though they have not been made public to the outside world." He also says: "By the purge, Kim Chong-il seems to want to enforce discipline in the technocrats and military men who have become lax, and assert his authority as the leader [suryong]."

DPRK Said To Issue New Bank Notes for Trade

SK2211010595 Seoul YONHAP in English 0041 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — North Korea issued Tuesday [21 November] new bank-notes for use exclusively in settling trade accounts with foreign countries as well as conversion into other currencies.

According to Naewoe Press, the official watcher here of North Korea, China, and the Commonwealth of Independent States, the broadcast reported that the new paper money, issued by the Central Trade Bank, is in two colors — violet and rosy— though its design is the same as the former currency.

The new bank-note has nothing to do with what Pyongyang calls "inminpye (basic currency)" which its citizens use, the report said.

Ministry Denies Reports

SK2211082895 Seoul YONHAP in English 0820 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — The National Unification Ministry denied Wednesday reports saying that North Korea issued new paper money for exclusive use in settling trade accounts with foreign countries.

A senior official at the ministry said, "It is not that North Korea is issuing new banknotes, but that the communist country is changing the design of its 'blue' and 'red' convertible currencies."

He guessed that Pyongyang may have initiated the design change in order to promote the circulation of foreign currencies inside the country as well as to prevent forgeries.

Earlier in the day, NAEWOE Press, the official North Korea watcher here, quoted a Moscow radio broadcast as reporting that the communist state is issuing new bills.

Relief Team: Serious DPRK Crisis From Flood

SK2211002295 Seoul KBS-1 Radio Network in Korean 2325 GMT 21 Nov 95

[FBIS Translated Text] Medecins Sans Frontieres, an international medical relief organization, has revealed that North Korea now faces a serious crisis due to an enormous amount of land lost in areas hit by torrential rainfall.

On 21 November, the chief delegate of the relief organization to North Korea, who for two months examined the status of flood damage in North Korea, and an official of the Japanese Red Cross disclosed this in Tokyo.

Tokyo-based Correspondent Yi Il-hwa reports from Tokyo:

[Begin Yi recording] (Poke), chief delegate of the Medecins Sans Frontieres, said over 5 million North Korean residents suffered from the recent flood, and probably thousands of people were either killed or wounded.

Chief delegate (Poke) said 145 areas among approximately 200 cities and counties in North Korea were hit by flooding and more than 400,000 hectares of cultivated land were washed away. He added that North Korea now faces a serious crisis due to flood damage.

The survey team, which was dispatched to North Korea last October upon its request, consists of 10 members.

In addition, Mr. Hirata, an official of the Japanese Red Cross Society who visited North Korea last October, said that the situation in North Korea is unbelievably serious.

It is the first time that such international relief agencies, except UN survey teams, had revealed North Korea's flood damage in detail.

This has been Yi Il-hwa reporting from Tokyo. [end recording]

Inchon Plans City Ties With North's Nampo

SK2211075495 Seoul HANGYORE SINMUN in Korean 22 Nov 95 p 20

[Report by Kim Yong-hwan from Inchon]

[FBIS Translated Text] "Could a local government bring about a breakthrough in North-South relations, which are the only frozen relations in the world after the collapse of the cold war system?"

The Inchon Municipal Assembly decided on 21 November to establish sister-city ties with a North Korean city. The assembly is discussing related procedures with the National Unification Board.

Sin Maeng-sun, speaker of the assembly, said: "Inchon has about 500,000 citizens who have families in North Korea. The first- generation separated families are becoming older than 70, and public opinion is demanding an early exchange with North Korea. The city has decided to become a sister city with a North Korean city, and the National Unification Board has been responding positively. We expect approval for a contact with North Korea early next year."

The municipal assembly is considering Nampo, a gateway to Pyongyang, and Kaesong, where most separated families are from, but Nampo is more likely to be chosen as the sister city. Once the sister-city relationship is established, the municipal assembly plans to begin with academic and cultural exchanges, and gradually expand to family reunion and economic exchanges.

The municipal assembly is deliberating whether to pursue a sister-city relationship at the assembly level or to start from the assembly's cultural, education, and social standing committee and gradually expand to the assembly level.

DPRK, Australia Agree to Oil Exploration

SK2111084695 Seoul CHUNGANG ILBO in Korean 21 Nov 95 p 27

[FBIS Translated Text] It was learned that an Australian oil exploring company, Beach Petroleum [name as transliterated], has been promoting an oil exploration project in the 30,000 square kilometer area of North Korea's East Sea [Sea of Japan] basin.

According to the Korea Trade and Investment Promotion Agency on 20 November, this company concluded a contract with the North Korean Government late last year regarding oil exploration and distribution, and visited North Korea on two occasions to promote this project.

Four officials from the North Korean Facilities Group and the Petroleum Industry Bureau visited Australia early this year to examine the on-going progress following the conclusion of the contract, and looked over the Beach Petroleum's oil exploration site in Queensland.

The geological features of the target for exploration is similar to that of Sakhalin's oil field region which has very high productivity, and the water is about 100-300 meters deep. It was learned that the exploration project is estimated at around $5 million, and that Beach Petroleum hopes to form a joint venture with an International Petroleum Major or a Japanese company. Russian experts have already conducted earthquake exploration tests regarding the 7,500 square kilometers area of this region, and North Korea has drilled two exploratory holes.

'Deep Regret' Noted Over France's Nuclear Test

SK2211100495 Seoul YONHAP in English 0708 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — South Korea expressed its deep regret Wednesday over France's nuclear bomb test, its fourth in less than three months, in the South Pacific.

"The South Korean Government deeply regrets Wednesday's nuclear bomb test because the French Government conducted the test amid protests by governments of the world and a United Nations resolution adopted recently urging France to stop such nuclear bomb tests," Foreign Ministry spokesman So Tae-won said.

He urged that Paris undertake no more nuclear explosions taking into consideration that France had already promised to sign the Comprehensive Test Ban Treaty (CTBT) by 1996.

The ministry also expressed the hope that France and other nuclear powers will make efforts to sign the CTBT next year.

No Approval Needed for Australia Nuclear Material

SK2111080895 Seoul YONHAP in English 0741 GMT 21 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP) — South Korea will no longer be obligated to seek prior approval from the Australian Government to transfer research-purpose nuclear materials bought from the oceanian country to third countries, a Foreign Ministry spokesman said Tuesday.

An accord to that effect was reached in a four-day nuclear energy talks held in Canberra beginning last Tuesday, he said.

Canberra agreed that Seoul will not be required to obtain approval from the Australian Government for the transfer of less than 20 percent enriched uranium and processed nuclear fuel to a third country, he said.

During the meeting, the fifth of its kind since 1990, South Korea was also assured of Australian support for its bid to become a permanent board member of the International Atomic Energy Agency (IAEA) and in South Korea's efforts to thwart North Korea's suspected nuclear weapons project, he said.

The ministry expects this case will serve as a precedent to other suppliers in allowing South Korea a comprehensive right to transfer nuclear substance to a third nation without their approval.

Canberra also supported Seoul's efforts to join the newly emerging international regime for the control of strategic weapons to replace the Coordination Committee for Export to Communist Area (COCOM), he said.

Russian Official Discusses Unification of Korea

SK2111054495 Seoul THE KOREA HERALD in English 21 Nov 95 p 2

[FBIS Transcribed Text] A unified, democratic Korea would be in the interest of Russia, a Russian official in charge of Korean affairs said yesterday.

"Russia is interested in the unification of Korea," said Valentin I. Moiseyev, director of the Korean affairs division at the Russian Foreign Ministry.

In a paper presented at an international seminar in Seoul, he reiterated Russia's proposal to convene an international conference on South and North Korean affairs.

Such a conference may be the best way to work out a peace-keeping system on the Korean Peninsula which would be in the interests of both Koreas as well as the interests of all countries concerned, including Russia, he said.

The Russian official also indicated the United Nations could possibly play a stimulating role in building a peace system in Korea.

Moiseyev said Russia considers its relations with South and North Korea as an integral part of the peace-keeping system on the peninsula.

He rejected the military solution to unification as "absolutely unacceptable and impossible in the contemporary world situation."

Moiseyev was one of the policy analysts and senior officials from South Korea, Japan, China, Russia and the United States attending a two-day conference sponsored by the Institute of Foreign Affairs and National Security (IFANS), a research arm of the Foreign Ministry.

The conference, which will continue through today, is aimed at exploring the prospects of establishing a durable peace-keeping system on the Korean Peninsula.

Moiseyev was preceded by three other participants from the United States, Japan and China in presenting papers on each country's policy on a unified peaceful regime in Korea.

Zhou Xingbao, a Chinese analyst, said China also supports the establishment of a new peace system on the peninsula.

He repeated Beijing's position that the Korean armistice agreement should remain valid until a new peace regime is set up. A new peace system should be built through dialogues and consultations among all parties concerned, he said.

But Zhou, vice president of the China Institute of International Studies, stressed both South and North Korea should play leading roles in the process.

"South and North Koreas and their people are the masters of the Korean Peninsula. Anything concerning the peninsula should, first of all, be subject to their choice and agreement," he said.

David G. Brown, director of the Korean desk at the U.S. State Department, reaffirmed that South Korea should take the lead in dealing with inter-Korean issues.

"The United States will play a supportive role," he said in his paper.

He also said the existing armistice mechanism must be maintained until South and North Korea have put a new peace arrangement in place.

Brown indicated relations among the major powers surrounding the Korean Peninsula are better now than at any time in the past century, with no country seeing its fundamental interests threatened by the others.

"This provides a historic opportunity to shape a stable multipolar equilibrium among the major powers and contributes to conditions favorable to peace and reunification," he said.

The United States seeks to build such an equilibrium by sustaining its alliance with Japan, by establishing constructive ties with China and Russia and by exploring the possibilities for a new inclusive multilateral security dialogue in Northeast Asia, Brown said.

He pointed out the need for neighboring countries to influence Pyongyang until it has a stable political leadership convinced that its own interests are best served by reducing tension.

SRV Delegation Meets DLP's Kim Yun-hwan

SK2111063795 Seoul THE KOREA TIMES in English 21 Nov 95 p 2

[FBIS Transcribed Text] A Vietnamese Communist Party delegation yesterday met with Kim Yun-hwan, chairman of the ruling Democratic Liberal Party and discussed ways to promote friendship and exchanges between the two parties. The four-man delegation, led by Le Phouc Tho, a party central committee secretary, arrived here Sunday for a four-day visit at the invitation of the government and party.

Kim Yong-sam Congratulates Polish President-Elect

SK2111103595 Seoul YONHAP in English
0732 GMT 21 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP) — South Korean President Kim Yong-sam congratulated Tuesday Polish President-Elect Aleksander Kwasniewski on his election victory.

In a telegraphic message, President Kim said he believes Poland will achieve sustained progress and prosperity under Kwasniewski's leadership.

"I expect that the friendly and cooperative relations between Poland and South Korea will be further increased in the future," Kim said.

Daewoo: No Change in Investment in Poland

*SK2111100495 Seoul YONHAP in English
0752 GMT 21 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 23 (YONHAP) — The Daewoo Business Group's investment in a Polish state-run automobile manufacturer will not be affected by the outcome of that nation's presidential election, which resulted in ex-communist Alexander Kwasniewski's victory over Lech Walesa, a company spokesman said Tuesday.

"As we already signed the final contract Nov. 14 with the Warsaw government on our takeover of 70 percent of equity in Fabryca Samodochow Osobowych (FSO) [spelling of firm as received], we will go ahead with our management and investment plans irrespective of the change of the top Polish government post," he said.

The new Polish president is expected to encourage foreign investment in his country, given his keen interest in economic development, the source forecast.

"There will be no change in Daewoo's FSO project," he noted, adding that his business group plans to invest 1.1 billion U.S. dollars in FSO by the year 2001 to produce 220,000 vehicles annually.

Rice Imported From India Under UR Agreement

*SK2211065695 Seoul YONHAP in English
0225 GMT 22 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — A shipment of rice, totaling 57,008 tons, will arrive from India next month as part of South Korea's foreign rice purchase plan for this year under the Uruguay Round (UR) agreement.

The rice will be loaded at Bombay and Kandra in India on five vessels having cargo tonnages ranging from 10,000 to 14,000 tons late this month or early December, the supply administration said Wednesday.

Daewoo Corp. has been designated by the government as the agent for importing the grain, which will be supplied by the Indian companies Satnam Overseas Co. and Kundan rice mills.

The ships will arrive in South Korea around Dec. 20 after a three-week voyage, an official at the administration said.

South Korea, under the UR agreement, is obliged to import 227,000 tons of rice—equivalent to 4 percent of its domestic consumption— annually until 2004.

Hyundai Plans To Build Auto Plant in India

*SK2211074195 Seoul YONHAP in English
0605 GMT 22 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — The Hyundai Business Group will set up an auto assembly plant in India.

The decision was reached at a meeting between Hyundai Chairman Chong Se-yong and Indian Prime Minister Narasimha Rao in New Delhi Tuesday, a company spokesman said Wednesday.

He noted that Premier Rao welcomed the conglomerate's idea of advancing into his nation's car market, and also asked Chairman Chong to make invest in power generation and infrastructure projects in India as well.

The proposed factory will be built in southern India beginning next year with completion expected by 1998, according to the source. He added that the project will be a joint venture between the South Korean conglomerate and an Indian company, with both two firms set to share a joint investment of 1 billion U.S. dollars on a 60-40 basis.

The assembly plant will churn out 100,000 passenger cars, such as the "Accent" and 'Sonata" models, annually in its initial production stage, and expand its production to 200,000 units per annum in the year 2000, the spokesman said.

Meanwhile, Chairman Chong will consult on his group's 3 billion- dollar investment plans in India with ranking officials there before returning home Friday, according to the source.

EU, Seoul 'Clashing' on Import Duties Issue

*SK2211074395 Seoul THE KOREA HERALD
in English 22 Nov 95 p 8*

[FBIS Transcribed Text] Korea and the European Union (EU) are clashing over the latter's move to impose extraordinarily heavy import duties on Korean-made microwave ovens and CD-ROM (compact disk read only memory) drives.

Direct export of Korean-manufactured microwave ovens to the European markets is likely to sustain a fatal blow as the European Union has decided to impose heavy anti-dumping duties on them.

The EU is also moving to raise the import tariffs on Korean CD-ROM drives from the current 3.9 percent to 14 percent, insisting that CD-ROM drives should be classified into the video signal replayer like video tape recorder (VTR).

According to industrial sources, the EU executive committee held an antidumping advisory meeting Monday and decided to levy antidumping duties ranging from 3.3 percent to 29 percent on microwave ovens produced in Korea and Southeast Asian countries.

Microwave ovens made by Ilshin Electronics Co. were imposed with a 24.4-percent antidumping duties, while LG Electronics and Daewoo Electronics were given 18-8 percent and 17.8 percent respectively.

Samsung Electronics was subject to 3.3 percent, the lowest rate among Korean companies, but the microwave ovens manufactured in Samsung's Malaysian plant, SEMA, were levied a whopping 29 percent duty.

"The decision by the antidumping advisory meeting is tentative, but is certain to pass through the EU ministers' meeting to take effect," an industrial analyst said.

"Korean electronics companies will have no choice but to suspend EU-bound shipment of their microwave ovens, if they are forced to pay an average of 20-percent antidumping duties over the next five years," the analyst said.

Korea's exports of microwave ovens to Europe totaled just $72 million in the first eight months of this year, down about 59 percent over the same period of last year.

In an effort to cope with the EU's rising tariff barrier, Daewoo, LG and Samsung, which currently have microwave-oven production facilities in France and Britain, have been expanding their local production.

Daewoo Electronics issued a statement yesterday, saying that Daewoo will not be affected by the EU's decision to levy heavy antidumping duties on its ovens.

"As part of a strategy to fully localize electronics production, Daewoo's French microwave oven plant has recently increased its annual production capacity to 2 million units," the statement said.

"Daewoo, which controls about 20 percent of Europe's microwave oven market will continue to retain the market leader's position," said the statement.

On the dispute surrounding the CD-ROM drives, meanwhile, the Seoul government is determined to take the case to the World Customs Organization (WCO), unless compromise is met on the rate of import duties.

Seoul is also considering joining forces with Tokyo in deterring the EU's move to increase tariffs on foreign-made CD-ROM drives, because Japanese CD-ROM drive makers are involved in a similar dispute with, the EU.

Korea shipped about 60,000 CD-ROM drives, worth about $8.5 million, to the European market last year.

Foreign Exchange Reform, Liberalization Announced

SK2211072095 Seoul THE KOREA HERALD in English 22 Nov 95 p 1

[FBIS Transcribed Text] Beginning Dec. 1 the government will raise the band for daily permissible movements in the won-dollar exchange rate from the current plus and minus 1.5 percent of the basic rate to plus and minus 2.25 percent.

A won-yen exchange market will be opened from October 1996 in a bid to diversify the domestic foreign exchange market.

The Ministry of Finance and Economy yesterday announced these and other foreign exchange reform measures to help market participants hedge risks stemming from exchange rate fluctuations more effectively.

The expansion of the daily permissible range will make it possible for market forces to have greater influence in determining the exchange rate, while enabling domestic corporations to adapt themselves to exchange rate movements more flexibly, the ministry said.

Since the current trade-weighted market average rate system was introduced in March 1990, the daily permissible fluctuation band has been expanded four times.

The band was raised to plus and minus 0.6 percent in September 1991 from 0.4 percent; to plus and minus 0.8 percent in July 1992; plus and minus 1 percent in October 1993; and plus and minus 1.5 percent in November last year.

In the first half of next year, the government will set in motion a task force to study the feasibility of switching to a freely flexible exchange rate system from the present managed float regime, the ministry said. Under a foreign exchange liberalization program, the government plans to adopt a freely floating exchange rate system by 1997.

The ministry said the opening of the won-yen exchange market will contribute to diversifying the domestic foreign exchange market and boosting market participants' abilities for foreign exchange trading.

Instead of resorting to markets in foreign countries, domestic corporations and banks will be able to buy the yen through spot and forward transactions in the domestic market, it said.

However, the mechanism for determining the won-yen rate will remain unchanged, the ministry said. Currently, the won-yen exchange rate is pegged to the won-dollar rate.

Starting in February next year, the government will change the current settlement system of spot foreign exchange transactions, the ministry said.

The new mechanism will require that settlements of spot trades be made two business days after contracts are concluded, not on the one business day after as is the practice in the country.

The new settlement system will expand the amount of spot transactions in the domestic market by changing forward trades with a one-day maturity into spot transactions, the ministry said.

Banks and corporations will also be able to buy foreign currencies even when they don't have the won to match the purchase on the day of concluding contracts, it said.

In the first nine months of the year, $1.99 billion was traded in the domestic foreign exchange market daily. Out of the total, 32.1 percent was settled on the day of the contract; 62.8 percent, one business day later; and 5.1 percent, two business days later.

Within the span of next year, the government will overhaul the current system for domestic banks' foreign exchange positions and expand the limit on their positions, the ministry said.

Domestic foreign exchange banks are subject to strict restrictions on their foreign exchange positions according to net worth and the amount of foreign exchange bought the previous month.

Under the changed system, net worth of domestic banks will be the basis for the amount of foreign exchange they can purchase per month, the ministry said.

Hyon So-hwan New IPI Committee Vice Chairman

SK2111103195 Seoul YONHAP in English
0544 GMT 21 Nov 95

[FBIS Transcribed Text] Paris, Nov. 21 (YONHAP) — President-Publisher Hyon So-hwan of YONHAP News Agency was elected as a vice chairman of the newly-established Experts' Committee for News Agencies of the International Press Institute [IPI] during its board meeting Sunday [19 November] in Rome.

The board will deal with issues regarding news agencies' survival strategies amid the rapid emergence of computer-related news media, such as electronic newspapers and problems facing state-run news agencies in Eastern European and developing countries.

Cabinet: No Privileges for Convicted Presidents

SK2211073895 Seoul THE KOREA HERALD
in English 22 Nov 95 p 2

[FBIS Transcribed Text] Jailed former President No Tae-u may lose his pension and other privileges worth more than 100 million won a year under an amendment to the law on honorable treatment of former presidents.

Cabinet ministers yesterday unanimously passed the amendment, which would deprive a former president of privileges if he or she is given a sentence of imprisonment.

No, arrested last Thursday on corruption charges, could face 10 years to life in prison, if convicted.

If approved by the National Assembly, the amendment would also suspend special treatment for a former president if he or she is impeached or seeks exile or protection from foreign governments to avoid domestic legal action.

The revision bill, expected to be submitted to the National Assembly later this month, would allow for the provision of security to a convicted former president for a specific period of time.

The amendment to the law follows public dissatisfaction over No's privileges. The current law contains no provision on depriving a convicted former president of privileges.

Government Administration Minister Kim Ki-chae told the cabinet meeting his ministry has decided to delete the term of imprisonment from the judgment that honorary treatment of a former president would be made impossible in the case of a conviction.

An official at the Government Administration Ministry said after the cabinet meeting even if No should be given amnesty in the future, he would not be entitled to privileges.

"When you look into the amendment, you will find no provision on the restoration of honorary privileges," he said.

Under the law on the honorary treatment of a former president, three former presidents, including No Tae-u and his predecessor Chon Tu-hwan, received 60.6 million won in pension and 52.5 million won in other privileges from the state coffer last year.

No and Chon were also given 125 million won and 131 million won, respectively, to pay their three secretaries.

No's Funds Include Chon Administration Money

SK2111112095 Seoul YONHAP in English
1038 GMT 21 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP) — The prosecution said Tuesday that the 500 billion won stashed by former President No Tae-u as a slush fund include a considerable amount raised prior to his inauguration, that is, under the Chon Tu-hwan administration.

An Kang-min, head of Central Investigation Department of the Prosecutor General's Office, however, refused to say how much it was or whether the money was handed to No by Chon Tu-hwan.

He said the 235.8 billion won which No was charged with receiving in bribes were only those No received from businessmen during his presidency.

"We have excluded the amount he received before his inauguration because it cannot be taken as a bribe," An said.

An also said he cannot confirm the ruling Democratic Liberal Party [DLP] claim that opposition leader Kim Tae-chung received more than 2 billion won from No.

"The prosecution are supposed to do investigation only. We cannot confirm each of the allegations made by the political circles," he said.

Kang Sam-chae, DLP spokesman, said earlier in the day that prosecution probe was going on with regard to the suspected receipt by Kim Tae-chung of larger political funds than earlier known.

"There are substantial material evidence substantiating his receipt of money in excess of the 2 billion won he has admitted to having received from No," Kang said, adding that a major party spokesman does not make charges based only on wild rumors.

Inmates Protest Special Treatment for No Tae-u

SK2211065795 Seoul THE KOREA HERALD
in English 22 Nov 95 p 3

[FBIS Transcribed Text] Tens of inmates at the Seoul Detention House have entered into a hunger strike in protest of the special treatment for ex-President No Tae-u who has been detained there since Thursday on bribery charges, witnesses said yesterday.

The protesters are complaining because No's lone cell in the detention house is more spacious and better equipped and he is freer to meet visitors, said the witnesses who visited the detention house to meet their relative inmates.

The witnesses said food in the detention house, located in Uiwang, south of Seoul, has become better since No was detained.

They said the protesters included Ho In-hoe, a former student activist leader and now an opposition party member who was arrested Nov. 8 for not having reported his contact with an armed North Korean spy to the authorities concerned. The North Korean agent was captured in late October.

But a detention house spokesman refused to confirm the hunger strike, saying that "they often do that, and we don't check everyday short-term hunger strikes."

No, who is expected to be indicted by Dec. 5, needs a defense attorney and No's aides said one of his two former aides will be named as his defense attorney. The two are Kim Yu-hu, who served as senior presidential secretary for justice and inspection under No, and Chong Hae-chang who was No's chief secretary, the aides said.

Prosecution Confirms No Received $409 Million

SK2211015195 Seoul YONHAP in English
0115 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — Former President No Tae-u has been confirmed to have received a total of 239 billion won (409.6 million U.S. dollars) from 29 business groups while in office, 3.2 billion won more than the figure cited at the time of his arrest last Thursday, prosecution sources said Tuesday.

According to officials of the Central Investigation Department of the Supreme Public Prosecutor's Office, the Samsung and Hyundai Groups handed No 25 billion won each in kickbacks, while Daewoo and LG gave him 24 billion won and 21 billion won, respectively.

Hanjin was confirmed to have given No 17 billion won, Dong-ah 16 billion won, Lotte 14 billion won, Jinro 11 billion won, Hanil 10 billion won, Ssangyong and Hanbo 8 billion won each, Hyosung 7.5 billion won, Daelim 7 billion won, Kumho 6 billion won, and Kukdong Engineering and Construction Co. 5 billion won.

No was confirmed to have accepted 4 billion won each in bribes from Kia, Dongbu, Dainong and Kohap, 3 billion won each from Sunkyong, Dongkuk Steel Mill, and Sambu Construction Co., 2 billion each from Kolon, Doosan and Miwon, 1 billion won each from Haitai, Pacific and Tongyang, and 500 million won from Poongsan.

Of the 36 businesses investigated, the prosecution has yet to confirm the amount of bribes given by seven enterprises — Hanwha, Hanyang, Samyangsa, Dongbang Corp., Byucksan, Taihan Electric Wire, and Woosung Construction Co.

An official said, "The increase of 3.2 billion won in the sum of bribes was confirmed when Hanbo Group Chairman Chong Tae-su was interrogated on a second occasion."

The total sum of bribes to No that has been confirmed so far will "rise considerably" upon his indictment, he predicted.

Kim Chong-in Role in No Tae-u's Fund Confirmed

SK2211064095 Seoul YONHAP in English 0408 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — The prosecution reportedly confirmed Wednesday that former Senior Presidential Secretary for Economic Affairs Kim Chong-in conveyed to Ex-President No Tae-u hundreds of million won in kickbacks from four or five business tycoons each.

In interrogating Kim overnight until 3 AM [1800 GMT] Wednesday, the Central Investigation Department of the Supreme Public Prosecutor's Office also secured evidence that Kim arranged for No to meet business leaders in connection with awarding major state- financed project contracts, prosecutors said.

Asked whether the prosecution will take legal action against Kim, however, a prosecutor responded, "It is yet premature to discuss the matter."

Along with former Legislator Yi Won-cho and Rep. Kum Chin-ho of the ruling Democratic Liberal Party (DLP), an in-law of No, Kim is suspected of having played key roles in No's amassing of slush funds.

The prosecution plans to summon for questioning both Yi and Kum shortly, the latter for the second time. To that end, it is investigating related officials of financial institutions to find out if the two, having wielded great influence in business circles under the Sixth Republic, allegedly received kickbacks in return for favors they brokered in personnel affairs, a prosecutor said Wednesday.

The prosecution is said to have detected that the ex-lawmaker Yi accepted 230 million won in bribes from former Donghwa Bank President An Yong-mo upon An's reappointment as the bank's chief.

It has also been reportedly confirmed through an interrogation of a business tycoon by the prosecution that Yi conveyed to No about 500 million won in bribes from An.

Yi is expected to be summoned for questioning sometime this week as soon as the ongoing prosecution's investigation of officials of banking institutions and investment and trust companies is completed.

It has been learned meanwhile that the prosecution again interrogated An secretly on suspicion of bribing senior government officials and politicians for his reappointment in 1993.

DLP 'Embarrassed' by Questioning of No's Aide

SK2211070195 Seoul THE KOREA TIMES in English 22 Nov 95 p 2

[FBIS Transcribed Text] The nation's ruling camp seems embarrassed by the prosecution's scheduled interrogation of a close confidant of former President No Tae-u in connection with the slush fund scandal.

The prosecution decided Monday to question Yi Won-cho, a former ruling Democratic Liberal Party lawmaker who also served as the ex-president's financial advisor, over his role in No's amassing a 500 billion won slush fund.

The decision came after a judge, who issued the arrest warrant for No on bribery charges last Thursday, revealed that the prosecution depicted Yi as a player in the scandal when requesting the warrant.

A high school classmate of No's, Yi wielded enormous influence and was known as "the emperor of the financial market" during past military-backed regimes.

The reason why the ruling camp is allegedly worried is that it is widely believed Yi played a key role in matters pertaining to the financing of the ruling party's 1992 presidential campaign.

President Kim Yong-sam's governing party and main opposition National Congress for New Politics led by Kim Tae-chung are waging an intensive verbal skirmish over how President Kim funded his campaign.

Kim Tae-chung has admitted to receiving 2 billion won from No for his unsuccessful presidential bid and charged the President took far more. President Kim denies taking a single penny.

In this situation, observers said, if Yi Won-cho admits he had a role in the ruling party's raising of campaign funds, it could deal a fatal blow to the party, to say nothing of the President.

"Furthermore, Yi may know something about the relationship between President Kim and his predecessor following No's leaving the DLP in 1992," a party source said.

Kim has claimed that he had no contact with No after he left the party, saying: "No quit the DLP because he did not want me to become president.

"If Yi played a role in raising campaign funds for President Kim, he did it as a member of the party, not under the direction of No as against the allegation of the opposition camp," stressed a high- ranking party official. "It had nothing to do with No financially supporting Kim."

DLP Money Spent in 1992 Presidential Election

SK2211115895 Seoul HANGYORE SINMUN in Korean 22 Nov 95 p 1

[Report by Pak Chang-sik]

[FBIS Translated Excerpt] It was confirmed on 21 November that most of the 53.5 billion won public propaganda plan, which was worked out in July 1991 by the Democratic Liberal Party [DLP] in the wake of the presidential election in 1992, has been executed, despite the DLP's explanation that "these plans remained as plans and were not executed." Moreover, new means of propaganda and propaganda material not included in the initial plans were additionally adopted and produced in the course of executing its budget.

This was confirmed on 22 November by HANGYORE 21, a weekly magazine that reported on this after having exclusively obtained documents concerning "a report on the results of the elections" prepared by the DLP's public information team on 21 February 1992, immediately after the presidential election, and submitted to the DLP leadership.

According to the report, the DLP's efforts to publicize its policies before the election was officially announced in a bid to enhance the image of the party and its candidate. Based on this guideline, the DLP printed 31 types of propaganda material covering eight categories, and actually carried out all the programs included in "the July plans."

The report also pointed out that the DLP's public information team printed and published 37 types of propaganda material, while the party's public relations operational office produced 33 types of material. Thus, the DLP published and disseminated more than 70 types of propaganda material. It is further estimated that the budget actually executed by the party exceeds the amount originally planned for 47 types in "the July plans" that accounted for 11.543 billion won.

The report revealed the DLP made public advertisements in newspapers on 18 occasions, and in weekly magazines on eight occasions, before the election was officially announced. After the official announcement of the election, the DLP ran public advertisements in 13 daily newspapers on four occasions, including the advertisement that "Kim Yong-sam is the only trustworthy man." The DLP also ran television advertisements five times in total. [passage omitted on detailed amount of money used for each advertisement]

Seoul Not To Hold By-Election for Assembly Seat

SK2111103295 Seoul YONHAP in English 0622 GMT 21 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP) — The cabinet decided Tuesday not to conduct a by-election in the Kangdong-a Electoral District of Seoul of which representation in the National Assembly was vacated following the recent conviction of Rep. Yi Pu-yong.

Elected from the district on the Democratic Party ticket, Yi was convicted of violating the National Security Law earlier this month and was stripped of his parliamentary membership for that reason.

The government's decision was based on the election law which provides that supplementary elections may not be held in case the remaining term of office is less than a year.

A dissident activist-turned-politician, Yi was sentenced to one year in prison with a two-year stay of execution by the Seoul District Criminal Court on Nov. 3.

DLP Plans To Change Name Before Elections

SK2211064295 Seoul YONHAP in English 0551 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — The ruling Democratic Liberal Party (DLP) will change its present name sometime before the forthcoming general elections next April, informed DLP officials announced Wednesday.

This plan was disclosed at a Chongwadae [presidential offices] meeting earlier in the day when President Kim Yong-sam, concurrently head of the ruling camp, was briefed on affairs of the DLP by its Chairman Kim Yun-hwan, according to a party source.

The projected switch of the party's name has been construed as part of the ruling camp's resolve to start anew by liquidating the residue of the 1990 merger of three political parties amid the slush fund scandal involving former President No Tae-u.

The DLP was created five years ago on Jan. 22 through the formation of a coalition among the then-ruling Democratic Justice Party and two opposition groups — the Reunification Democratic and New Democratic Republic Parties.

Amnesty Bill Submitted to National Assembly

SK2111095895 Seoul YONHAP in English
0901 GMT 21 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP) — The administration submitted to the National Assembly Tuesday a general amnesty bill that would pardon an estimated 7.5 million people punished for minor offenses.

A sixth decree of its kind since the Republic was founded in 1948, the bill would apply to violations of 35 administrative laws that were booked or condemned to five or less years of imprisonment before Aug. 10 this year. The 35 laws include those on family ritual standards, road traffic and residence registration.

Former and current civil servants who have been punished for light offenses before Feb. 25, 1993, when the incumbent administration was launched will also benefit from the leniency.

A Justice Ministry official said, "The scope of beneficiaries from the projected general amnesty has been drastically expanded so that as many citizens as possible may benefit from the pardon within the boundary of legal order and stability."

The leniency, once promulgated, would invalidate sentences and get public actions dropped for those eligible for the general pardon. Punishments meted out against former and present civil servants eligible for the pardon would also become null and void.

Those who have been convicted of election-related crimes, organized violence, irregularities and corruption, civil rights infringement, and two or more offenses will be excluded from the general amnesty.

Also to be excluded are public officials who have been fired or dismissed for giving or receiving gifts or entertainment, or embezzling or misappropriating public funds.

Fines, confiscated goods and litigation expenses already paid to the national treasury will not be reimbursed.

The administration will make an announcement in its official gazette as soon as the proposed bill is approved by the National Assembly.

9.9 Percent Real-Term Economic Growth Reported

SK2211083095 Seoul YONHAP in English
0744 GMT 22 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 22 (YONHAP) — The Bank of Korea [BOK] reported a real-term growth of 9.9 percent Wednesday in the economy's Gross Domestic Product (GDP) in the third quarter, indicating the economy was still on the upswing during the July- September period.

The year-on-year GDP growth rate for the three-month period was the highest quarterly figure since the 10.6 percent rise registered for the second quarter of 1992, while indicating that the expansion phase of the business cycle that started in January 1993 has kept on going.

The 9.9-percent growth in the third quarter, when combined with the 9.7 percent from the second and the 9.9 percent from the first, averages out to a median growth of 9.8 percent for the first nine months of the year.

But the Central Bank estimated a 9.3-percent growth overall for 1995, assuming that growth will slow to 8 percent in the final quarter, during which the economy is expected to descend slowly from the peak of expansion.

In the period between July and September, the heavy industry achieved a 17.4-percent increase in production, the highest quarterly growth rate since 1988's third quarter which saw a 23.4- percent increase.

On the other hand, the light industry dropped 3.1 percent, the largest quarterly fall since the 4.3-percent decrease registered for the second quarter of 1993.

This indicates that the economy's growth structure was still unbalanced in the third quarter, showing a wide gap between the heavy and light industries.

The construction sector recorded an 11.6 percent jump during the three-month period, its highest quarterly increase since registering a 12.9 percent rise for the final quarter of 1993.

In their highest quarterly increase in more than a decade, exports during the three-month period grew 31.3 percent, thanks to brisk shipments of semiconductors, automobiles and machinery. Previously, the record was the 32.5-percent growth registered for the final quarter of 1983.

Investment in plants and equipment rose 20.4 percent in the third quarter against 29.1 percent in the second and 33.1 percent in the first, indicating that corporate investment in production facilities was on the downswing from July until Sept.

However, investments in transport equipment, such as airplanes and trucks, increased 23.1 percent in the three-month period, a sharp turnaround from a decrease during the second quarter.

The overall investment in fixed assets, excluding land, thus grew 21.1 percent during the period, higher than 19.0 percent in the second quarter but lower than 25.2 percent in the first.

Increased spending on overseas travel and durable consumer goods, such as computers and cars, brought up the growth pace of consumer spending to 8.1 percent in the third quarter.

Burma

Tokyo Grants 5-Billion-Yen Debt Relief Loan

BK2211012495 Rangoon Radio Myanmar in Burmese 1330 GMT 21 Nov 95

[FBIS Translated Text] Brigadier General Win Tin, minister of finance and revenue, and Mr. Takashi Tajima, ambassador of Japan, signed an agreement and exchanged documents at the former's office at 1400 today.

According to the agreement, the Japanese Government is to provide debt relief aid worth 5,000 million Yen, about 285 million Kyat [Burmese currency unit], to the Myanmar [Burmese] Government. The money provided will be utilized to purchase machinery, raw materials, and spare parts for various departments and organizations.

Aung San Suu Kyi Rejects Convention Set-Up

BK2211105095 Hong Kong AFP in English 1041 GMT 22 Nov 95

[FBIS Transcribed Text] RANGOON, Nov 22 (AFP) — Aung San Suu Kyi warned Wednesday that her opposition National League for Democracy (NLD) might boycott Burma's National Convention because it is "unacceptable" to most citizens.

She told a news conference at her lakeside home, where she was held for almost six years under house arrest until last July, that the NLD was still looking for dialogue with the ruling military junta.

"We continue to keep the door open for dialogue and discussion, but the convention in its present form ... is totally unacceptable to the vast majority of the people of Burma," said the Nobel Peace Prize winner.

The convention, which reconvenes Tuesday after a seven-month layoff, is charged with framing a new constitution for Burma, after which the military junta has said it would hand over power to a civilian government.

Aung San Suu Kyi said that the way the convention was set up precluded it from achieving its professed aim of allowing elected officials to draw up a constitution democratically.

The NLD, which scored an overwhelming victory in national elections in 1990, had been allotted only some 15 percent of the seats at the convention, she noted. The junta refused to hand over power after that vote and Aung San Suu Kyi was detained shortly after.

"The National Convention in its present state cannot assist in achieving national reconciliation, a genuine multi-party democracy or a state constitution," she said.

Aung San Suu Kyi said the NLD had won the mandate of the Burmese people but had left the door open for negotiations with the military authorities.

Asked if this meant the NLD would boycott the convention, Aung San Suu Kyi said that the party had yet to make a final decision, but this did not mean "we will not make the decision if we think it is right."

The NLD reinstated Aung San Suu Kyi as general secretary in October, but the military government's elections commission rejected the party leadership reshuffle.

Brunei, Malaysia & Singapore

Malaysia

Chilean President Begins 3-Day State Visit

BK2211100895 Kuala Lumpur Voice of Malaysia in English 0800 GMT 22 Nov 95

[FBIS Transcribed Text] Chilean President Eduardo Frei Luiz Tagle has begun a three-day state visit to Malaysia. He was accorded a ceremonial welcome at Parliament Square this morning.

President Frei was received on arrival at the square by the King, Tuanku Ja'afar and Prime Minister Datuk Sri Dr. Mahathir Mohamed. He inspected the guard of honor mounted by 107 officers of the first Battalion Royal Malay Regiment, under the command of Major Noor Azmi Abdul Karim. The Royal Malaysian Navy band struck up the national anthems of the two countries.

President Frei, who was accompanied by his wife Martita Laraeches De Frei, then met Malaysian cabinet ministers and other dignitaries, including members of the diplomatic corps.

A state banquet in honor of them will be hosted tonight at Parliament House by Tuanku Ja'afar who visited the Latin American country in September.

President Frei will also be meeting Datuk Sri Dr. Mahathir this afternoon to enhance bilateral ties and to expand economic cooperation and trade. Malaysia and Chile are members of the Non-aligned Movement, Asia-Pacific Economic Cooperation forum and G-15 [Group of 15].

Belgian Mission Results in Business Contracts

BR2111155395 Brussels LA LIBRE BELGIQUE in French 21 Nov 95 p 13

[Unattributed report: "Belgian Travelers in Malaysia — Belgians Are in a Good Position in the Transport Sector"]

[FBIS Translated Text] ACEC-Transport Company of Charleroi, subsidiary of French ALSTHOM-Alcatel, has signed a 1.5 billion Belgian francs [BFr] contract with Germany's AEG company. The contract is for signalling and traffic control of the metro in the Malaysian capital, Kuala Lumpur.

On a Mission

That is what we learned on Monday [20 November] on the fringes of a Belgian economic mission, led by Prince Philip, which arrived in Malaysia on Saturday. The construction of the Kuala Lumpur metro, the first stretch of which will be inaugurated in February 1996, is part of the Malaysian Transport Ministry's effort to develop and modernize the communications sector.

In 1993 AEG, which is participating in this project, subcontracted the signalling and traffic control of the first 12 km-long phase of the pre-metro to the Belgian company.

The first part of this contract, representing BFr450 million, is presently being executed. The second phase, for which the contract has been signed, will be finished in December 1998. This order will guarantee 200 man-years of work. The Charleroi-based company is installing a system, valued at BFr1.5 billion, similar to the one developed for the Brussels and Manila, Philippines, metros. ACEC- Transport is also competing for the new Malaysian railway which will connect the capital with a new airport.

There is a tremendous potential for Belgian companies willing to invest in the Malaysian communications sector, because the [Malaysian] government intends to spend some BFr660 billion in transportation infrastructure over the coming 10 years, stresses Philippe Maystadt, Belgian minister of foreign trade.

A second Belgian company, Transurb Consult, is also playing an important role in the realization of the Kuala Lumpur metro. It has concluded a technical assistance contract, valid until 1998, for the maintenance, and the recruitment and training of personnel. Other Belgian companies that participate in this economic mission are concentrating on the Malaysian market and are close to concluding deals, such as Dredging International [dragging works].

Mahathir, Zimbabwe's Mugabe Witness MOU Signing

BK1711085795 Kuala Lumpur THE STAR in English 17 Nov 95

[Report by Shamsul Akmar — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur: Malaysian businessmen have been invited to grab the vast investment opportunities in Zimbabwe brought about by the liberalisation of its economic policies.

Foreign Ministry deputy secretary-general Datuk Abdul Halim Ali said Zimbabwean President Robert Mugabe, who was on a four-day state visit, told Prime Minister Datuk Sri Dr Mahathir Mohamad that there were numerous openings for Malaysian businessmen.

"Zimbabwe has done away with economic restrictions in its attempt to bring in foreign investors and it believes that Malaysian entrepreneurs should take the opportunity given the strong bilateral relations enjoyed by the nations," Abdul Halim said when briefing reporters on the meeting between the two leaders yesterday.

Abdul Halim said among others, Malaysians could invest in mineral and tourism-related industries which were two of the sectors with potential in Zimbabwe.

He said bilateral trade between the countries had not been encouraging, recording only RM20 million [Malaysian currency] last year.

"We don't expect this year's figures to be much different and Mr Mugabe said more efforts were needed to improve trade between the countries," he added.

Dr Mahathir and Mugabe also witnessed the signing of two memorandums of understanding [MOU].

The first was between Syarikat Pembinaan [Construction Company] Yeoh Tiong Lay and the Zimbabwean Home Affairs Ministry for the construction of 1,000 units of houses for its police personnel, involving a RM125-million investment.

The second was between Bandar Sunway Berhad [Limited] and the Zimbabwean Industrial Development Corporation for the development of a major industrial park in Harare with an investment of RM4 billion.

Earlier, Mugabe, leading a 66-man delegation, was accorded a ceremonial welcome at Parliament Square.

Welcoming him were the Yang di-Pertuan Agong [Paramount ruler] Tuanku Ja'afar.

The Zimbabwean president inspected a guard-of-honour mounted by the Royal Malay Regiment.

Later, the King hosted a state banquet in honour of Mugabe.

In his speech, the Tuanku Ja'afar said pressure must be put on the powers concerned to end nuclear testing once and for all.

Zimbabwe President Ends Visit; Departs for Home

MB1811181595 Johannesburg Channel Africa Radio in English 1500 GMT 18 Nov 95

[FBIS Transcribed Text] Zimbabwean President Robert Mugabe has departed for home after a three-day business visit to Malaysia, where he witnessed the signing of several private sector contracts. A contract was signed between Malaysia's Bandar Sunway company and Zimbabwe's Industrial Corporation for the development of a multimillion-American-dollar industrial park in Harare. The Malaysian YTL [Yeoh Tiong Lay] company and the Zimbabwe Republic Police signed another agreement for the construction of houses in Zimbabwe, costing US$49 million.

Namibia Seeks Various Industrial Cooperation

BK1611131795 Kuala Lumpur THE STAR in English 16 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Namibia is seeking Malaysia's co-operation to help it upgrade development in various areas like housing, banking and the establishment of its national petroleum corporation.

It has also invited Petronas [oil corporation] to take part in oil and gas exploration in Kudu, southern Namibia, and encouraged Malaysian companies to build hotels and shopping complexes in its capital Windhoek, besides investing in the cement industry.

These matters were raised at a meeting between delegations of the two countries led respectively by Prime Minister Datuk Sri Dr Mahathir Mohamed and Namibian President Dr Sam Nujoma at the Prime Minister's Department yesterday.

Foreign Ministry Deputy Secretary-General Datuk Abdul Halim Ali later told a news conference that Namibia wanted Petronas' co-operation to develop its own petroleum corporation, known as the National Petroleum Corporation of Namibia.

Before this meeting, Dr Mahathir and Dr Nujoma had a private meeting. The Namibian president had last visited Malaysia in September 1992.

Halim said Dr Nujoma's visit gave the two countries an opportunity to study the progress of co-operation achieved since Dr Mahathir's visit to Namibia in August.

He said Dr Nujoma hoped that the Malaysia-Namibia joint venture given the rights to mine zinc in Rospina, not far from Windhoek, would start operations immediately.

The Namibian government is also seeking Malaysia's co-operation in housing projects like the one completed in Grootfontein, about 400 km from Windhoek, by a Malaysian consortium. The projects are to be extended to two areas in the northern part of the country.

Today, Dr Nujoma will hold discussions with several private companies and visit Langkawi to see the development projects there.

'Responsible' Role for Japan in APEC Urged

BK2111133795 Kuala Lumpur BERITA HARIAN in Malay 21 Nov 95

[Editorial: "Voices of Small Countries Getting Louder" — received via Internet]

[FBIS Translated Text] The Asia-Pacific Economic Cooperation (APEC) leaders meeting that ended yesterday promised a meaningful shift in the status of the region, which had been the focus of big powers, to become a more significant one. It showed that the APEC member countries were now free from bowing to the commands of the United States. In general, the countries' former practice of remaining silent for fear of being labeled as the "naughty boy" by the big powers was no longer restrained. Since the meeting in Bogor, Indonesia and now in Osaka, Japan, the developing and small nations of APEC became more daring and spoke in louder voices to express the proper things to ensure economic prosperity in the region.

For this reason, most member countries openly said at the APEC meeting in Osaka that it was time to review and expand the scope of APEC cooperation. We feel that if, after seven years of meetings and discussions, APEC cooperation would be meaningless and less efficient if it were limited to trade liberalization and investment facilities. Malaysia, as a member of APEC, certainly does not want the cooperation that has been nurtured for so long, to isolate itself while the world is busy debating economic issues and seeking a consensus to jointly handle them.

We admit that the problem of emerging trade blocs and the expansion of their influence threatens the economy; the fluctuations in the rates of currencies exchange and the imbalance of payments between the big and small countries are crushing the freedom of world economic growth. The range of differences between these two issues have caused a heavy debt burden on small countries in the Asia-Pacific. Some APEC member countries have also gone through such uncertain economic growth that they have had to devalue their currencies. It has happened in Mexico and there is the risk that this will happen in other countries as well. Concerning the imbalance of payments, APEC has witnessed several of its member countries going through the difficulties of finding methods to solve the problem. These countries have been facing the problem with Japan, who is also a member of APEC. All APEC member countries, and non-APEC member countries, have faced the imbalance of payments problem with Japan, and even a large power like the United States is no exception.

The situation is aggravated by speculations in the foreign exchange market where several countries with low value of currencies are trapped with a heavier debt burden. In relation to this, what was said by Datuk Sri Dr. Mahathir Mohamed yesterday, should be viewed seriously by APEC, particularly Japan, which has not shown a positive attitude toward the matter. As a prominent world economic power, Japan should demonstrate a more responsible attitude, and not just look at the advantages it can derive from the hardship of other countries. We feel sorry that Japan, as host of the current APEC forum, is still reluctant to make a commitment to solve the acute problem. Even though Japan is very proud of and has confidence in the Osaka Action Agenda that was passed yesterday, and though Japan regards it as a guideline from a "holy book" for the realization of the trade and investment liberalization, it does not reflect much seriousness of the country in this matter. In view of this, we want Japan to dedicate its attention and sincerity to these two issues in all future APEC meetings, at all levels, prior to the fourth forum in Subic Bay, the Philippines, next year.

If all measures to facilitate trade and marketing through tariffs reduction, customs procedures, and relaxation of supervision for a common good deed could be listed in the draft for the Osaka Agenda that was announced by the 17 APEC member countries yesterday, there is no reason why Japan could not offer the best way to reduce the risks. The Joint Declaration that lends support to the implementation of the Osaka Action Agenda clearly states that all agreed upon actions should be reviewed periodically after taking into consideration all changes in the international economy. We are waiting for Japan's next move.

Progress Made at Osaka APEC Summit Viewed

BK2111162095 Kuala Lumpur Voice of Malaysia in English 0810 GMT 21 Nov 95

[Station Commentary]

[FBIS Transcribed Text] The Asia-Pacific Economic Cooperation [APEC] forum has ended in Osaka, Japan. Delegates to the forum, particularly at the official level, can pat their backs at the good job done. To reach an agreement at all was admirable given the diverse array of economic capabilities represented at the forum.

Leader after leader stood up to talk and dubbed the forum as having metamorphosed into the action stage.

Seattle in 1993 was called the sowing, Bogor 1994 was the flowering, and Osaka was deemed the fruiting. Funny, how agricultural terms were used for the forum when the speakers [words indistinct] for these discussions is the liberalization of the agriculture market deserving on the rhetorical acrobatics engrossing over the issue. Well, in all actuality, Osaka was not the fruiting yet. It is only a promise of fruiting and it remains to be seen whether promises and pledges ringing out of the haunted Osaka castle will really materialize. China staged a coup of sorts when it declared the cutting of tariffs by a huge percentage — 30 percent. That is a huge concession considering China's market is 1.2 billion-people strong.

At the other end of the spectrum, we have Indonesia and Papua New Guinea among the poorest in the world. Even if they were to completely open their markets, they would not amount too much. China might have other intentions on its mind by declaring such a tempting discount, such as in pursuit of membership in the World Trade Organization. Maybe APEC is one of the platforms which can move to launch themselves as practicers of free trade. Already, the move is bearing fruit for them, praises from the United States and the European Community have been sung. But the real measure of China's declaration is yet to be known. The breakdown of items included in the bill has yet to be sorted out. Maybe by Manila 1996, the full extent will be known.

At the Osaka summit, Prime Minister Dr. Mahathir Mohamed was labelled the reigning skeptic and adversary too. He skipped the Seattle do and only reluctantly attended the Bogor meet, and this year for Osaka, Japanese concern for his presence made Tomiichi Murayama to send a representative to request his presence.

The prime minister's reluctance was well-known and expected. He went up to the summit, issued his blue print for trade liberalization. Dr. Mahathir was objective enough to call it non-binding. Malaysian official fought for and won the insertion of the word voluntarism in the agenda and was supported by none other than the mighty Japanese themselves. The Japanese, in the form of Deputy Prime Minister Ryutaro Hashimoto called the insertion of the word a very Asian approach. Perhaps, that was what Dr. Mahathir was coming for — the Asia in APEC. The Japanese and other APEC powers could do well to realize the potential of Asia in promoting its own course without having to bend over backwards.

Malaysia believes the dates in the APEC meeting are non-binding not because it does not want to open up its own market. The dates are non-binding because each country has its own peculiar problems and limitations which have to be overcome before it can compete fairly. Going by Malaysia's trade record, we don't need to be told when to open what market. Our record at liberalizing trade speaks volumes on Malaysia's commitment to free trade. A country does not become the fastest growing economy in the world by clamping down its market. What Dr. Mahathir said about the dates being non-binding and the support it gets from Japan, shows the maturity of the sentiment. Each country has a God-given right to open its market when and only when it thinks it can afford to. A mature and strong economy knows only too well the values of free trade and open market, and it is the best judge of its own abilities and responsibilities.

Army Chief Envisions Army's Future Size, Role

BK2211080995 Kuala Lumpur THE STAR in English 22 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia's army of the future will be smaller in size but will be able to handle more tasks, Army Chief Jen [General] Datuk Che Mohamed Noor Mat Arshad said. Jen Mohamed Noor said that to reach the goal, the army needed quality manpower and better facilities. "As there is no clear-cut military threat, the army should be task-oriented (for now)."

Jen Mohamed Noor said the army should look towards new defence technology-enhanced military co-operation with other ASEAN nations and work within the nation's financial and manpower constraints.

On the situation in Asia, Jen Mohamed Noor said China's stability was crucial to the stability of South-East Asia. "If China's security or economic well-being declines, every country in the region would be affected," he said at the second day of an international conference on Land Forces in the 21st Century: The Challenge for Malaysian and Regional Armies.

Countries taking part in the conference took a common stand on equipping their armies with more software.

The conference ended yesterday with most of the speakers giving their views on a computer-assisted army of the future.

Army Logistics Commander Mej-Jen [Major General] Datuk Ahmad Ibrahim said the army was investing in automated command and control systems and other relevant software. "The commander could now move as far forward or remain in the rear without losing contact with his forces and have full data at the same time."

Singapore's Army Chief, Brig-Gen Han Eng Juan said the Singapore Army should look at information technology to organise its work. "Quality people who can exploit technology are needed in the army of the future."

This view was also reflected by Thailand's Assistant Intelligence Chief Lt-Gen [Lieutenant General] Thirawat Patthamanon who also said the 21st Century army have to know how to make use of the Internet, the global computer network.

Australia Defence Forces' force development director-general Brig-Gen [Brigadier General] Peter Dunn said computers can provide stealth and better awareness of combat situations which could help an army detect enemy movements

Singapore

German Chancellor Arrives for Three-Day Visit

BK2011012395 Singapore Radio Corporation of Singapore in English 1000 GMT 19 Nov 95

[FBIS Transcribed Text] German Chancellor Dr. Helmut Kohl has arrived in Singapore for a three-day visit. The trip is seen as an opportunity for him to share with Singapore leaders his insight on China and Vietnam, which he had visited. It will also give him a chance to renew his close personal ties with Prime Minister Goh Chok Tong and Senior Minister Lee Kuan Yew. Also on the agenda, the chance to further strengthen the close economic ties in other areas of technical and educational cooperation between the two countries. [sentence as heard]

Premier, Kohl Discuss Asia-Europe Summit

BK2211011895 Singapore BUSINESS TIMES in English 21 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] What next year's historic Asia-Europe summit in Bangkok can achieve will depend on whether the European and Asian leaders at the meeting have a vision for the future, Prime Minister Goh Chok Tong stressed last night.

"We can then come up with substantive proposals to benefit our peoples," he said at a dinner hosted in honour of visiting German Chancellor Helmut Kohl.

The prime minister, just back from the Apec Leaders Meeting in Osaka, said that countries there had decided on an important action agenda to implement a bold vision of free trade in the Asia-Pacific by the year 2010/2020. "A similar new venture now awaits us: the link-up between two vast continents through the forthcoming Asia-Europe Meeting," he said.

"It is a meeting whose time has come. But we will need vision and courage to ensure that this historic first summit is a success."

He added that Asia's success, contrary to the views of some pessimists in Europe, would not be at the expense of European jobs. "Instead, we see the potential of good economic synergy between the two continents.

European technology, goods, services, entrepreneurship, management and skills are greatly needed in this region. A growing middle-class in Asia will offer a huge consumer market for quality European goods."

In his address, Chancellor Kohl said that the economic ties between his country and Singapore had developed very positively. While Singapore was Germany's most important trading partner in South-east Asia, Germany was also Singapore's largest European trading partner.

And trade between the two countries was still expanding at double-digit rates.

The chancellor added that Singapore and Germany owed a great part of their prosperity to free world trade.

Earlier, speaking at a lunch hosted for the business delegation accompanying Chancellor Kohl, Deputy Prime Minister BG [Brigadier General] Lee Hsien Loong said that Singapore could serve as a springboard for German companies hoping to ride the wave of economic growth in the region.

"Singapore is one convenient gateway to the Asia-Pacific," he said. "I encourage those German companies not already in Singapore to seriously consider locating your manufacturing plants, R&D [research and development] facilities, regional and operational HQs here."

Daily Expects 'Real Thrust' Toward Free Trade

BK2211025395 Singapore BUSINESS TIMES in English 22 Nov 95

[Editorial: "And Now to Manila, With Hope" — received via Internet]

[FBIS Transcribed Text] Considering the initial disabilities under which the Osaka summit laboured, the happiness with its outcome is entirely understandable. In fact, anything short of a collapse would have deserved a welcome. In the event, the Asia-Pacific Economic Cooperation (Apec) forum's third summit was a considerable success because it has kept alive the vision of free trade in a region that accounts for half the world's exports and imports.

Resolutely, the representatives of the 18 member-nations strode ahead without the participation of the leader of the largest economy in the Asia-Pacific [region]. It was regrettable that United States President Bill Clinton's political imperatives, as well as order of priorities, kept him away. It is some consolation that his absence, which also prevented the US from going beyond its commitments under the Uruguay Round of trade negotiations, did not inhibit other Apec members.

More to the point, they were able to agree on a formula that does uphold the concepts of "comprehensiveness", "comparability" and "non-discrimination" that lay at the heart of last year's Bogor Declaration.

But at what cost? Australian Trade Minister Bob McMullan, for instance, hardly endorsed the effervescence that inspired US Trade Representative Mickey Kantor to laud the outcome as "perfect". The Osaka Action Agenda is certainly a commendable step in the right direction. It has saved Apec, and holds out the strong promise of future progress. But achieving a consensus among countries as diverse as China, Mexico and Australia at this stage was made possible only with a minimalist approach, leaving key issues for future resolution.

Even this might not have mattered too much if it had not been for the caveats in the agreed principles. Instead of being bound, Apec members will now "endeavour" to apply the principle of non-discrimination in extending and enjoying trade privileges. They will also only "endeavour" to ensure that the pace of opening up economies is comparable.

Finally, they have been allowed "flexibility" in deciding the liberalisation of particular sectors.

What all this means is that there is still no agreement in some crucial areas. Obviously, the farm sector's political importance to Japan's rulers cannot be underestimated. Lingering differences persist, too, about the pace of reform, with some countries favouring a Gatt-style negotiating mechanism. Finally, continued US refusal to grant automatic most-favoured-nation status to China militates against the overall principle of parity.

Nevertheless, a real thrust towards free trade can be expected at the 1996 Manila summit if concrete proposals are produced at next June's ministerial meeting.

The saving grace is that there can be no foot-dragging over the ultimate deadline, even though this does mean that none of today's signatories will be around to take the praise — or blame — when it comes to taking stock of the promise of Osaka a quarter of a century hence.

Cambodia

Ranariddh Stresses Rangsi's KNP 'Illegal'

BK1511143195 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 15 Nov 95 pp 1,2

[FBIS Translated Excerpt] Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, issued an official statement saying that the Khmer Nation Party [KNP] inaugurated by Sam Rangsi on 9 November in Phnom Penh is illegal, against the law, and unlawful, adding that the Royal Government of Cambodia [RGC] does not recognize it.

In the statement received by REAKSMEI KAMPUCHEA on 13 November, which was released by Ranariddh's office on 10 November, a day after the party's inauguration and after the 42d anniversary celebrations of Cambodian independence day, he stressed that he had clearly said repeatedly that "all Cambodian citizens have the right to form political parties." The Prince Krompreah stressed, however, that the formation of political parties must comply with existing law.

It is the point regarding existing law that prompted the prince to declare that "the proclamation of the creation of this political party does not conform with the articles of existing law." By the words existing law, the prince meant the law issued by the UNTAC [UN Transitional Authority in Cambodia], which has been approved by the Supreme National Council and is regarded by the prince as the "fundamental law of the nation."

The prince krompreah officially announced that, "judging by existing law, the KNP is unlawful, and the RGC cannot recognize it."

By the above judgment, this party will not have any legal grounds to compete for seats in the National Assembly in the 1998 elections if the RGC really does not recognize Rangsi's party.

The point that has prompted the prince to reject the KNP is that national and international newspapers have continued asking him for his opinion on whether or not the formation of Rangsi's KNP is legal. This is because the formation of this party has not yet been officially approved by the Interior Ministry. [passage omitted]

Also attending the inauguration of Rangsi's party were U.S. Ambassador Charles Twining, Australian Ambassador Anthony Kevin, Canadian Ambassador Gordon Longma [name as transliterated], and the second secretary of the Thai Embassy to Cambodia. Their presence constitutes irregular diplomatic activity in a law-abiding state.

Concerning this activity, Ranariddh said: "The presence of these dignitaries at a proclamation of the creation of a party that is in violation of Cambodia's laws could be interpreted as endorsing an unlawful act."

The prince added that "as diplomats, these dignitaries have the right to do anything they wish. It is really regrettable, however, because these dignitaries never stop telling our people and our leaders that Cambodia must be a state of laws." [passage omitted]

Ing Huot on Respect for Prince Sirivut's Rights

LD2211122995 Melbourne Radio Australia in English 0700 GMT 22 Nov 95

[FBIS Transcribed Text] Cambodia's foreign minister, Ing Huot, has defended Phnom Penh's human rights record following the arrest of the king's half-brother. Prince Norodom Sirivut has been arrested over claims he was involved in an assassination plot against Co-Prime Minister Hun Sen. Australia's foreign minister, Gareth Evans, says he's concerned the arrest may have been politically motivated rather than a response to an alleged assassination attempt. Mr. Ing Huot, who is visiting Australia, says his government will respect the prince's rights.

[Begin Ing Huot recording] The case has to go through all the legal procedures. Cambodia has a respect of law. We have democracy, we have respect of human rights, and I am certain, with the king present in Cambodia, with the prime ministers, with the international organizations, his rights will be respected — his human rights. [end recording] [passage omitted]

Article: Hun Sen Practices 'Law of Jungle'

BK2011111395 (Internet) soc.culture.cambodia in English 19 Nov 95

[Article by Hann So, president of "Khmer Conscience, a non-profit organization promoting Democracy in Cambodia": "The Law of the Jungle"]

[FBIS Transcribed Text] Member of Parliament Prince Norodom Sirivut becomes the second well known victim of Hun Sen's crackdown on opposition. Prince Sirivut has parliamentarian immunity and done nothing wrong. He is a vocal critique of Hun Sen and last year resigned from his post as Foreign Minister because he could no longer work with Hun Sen and also in protest of the expulsion of his friend Finance Minister Sam Rangsi. Both of these former cabinet members of the Royal Government of Cambodia have been working hard for the country with integrity and respectability.

This latest show of force by Hun Sen's troops to put Prince Sirivut under house arrest finally shows the fangs of Hun Sen, an autocratic person who uses all means to eliminate his opponents politically as well as physically. He uses his military might to protect the bad, ugly and corrupt, and oppress and repress the good and nationalists. Those who want to live and have power must submit to the dictatorship of Hun Sen. These people are the likes of Ieng Muli and Hok Lundi, both of BLDP [Buddhist Liberal Democratic Party]. Hok Lundi is a former administrator of Non Chan refugee camp and supporter of Son Sann. But now he forgets his origin and follows Hun Sen's order. Ieng Muli who condemned the oppressing method used by the SOC [State of Cambodia] on him during the UNTAC [UN Transitional Authority in Cambodia] is now using the same method to suppress the freedom of the press.

In a democratic country there is law to deal with accusation of assassination. A stable country does not send government troops and police and tanks to surround a suspect and protect the target. How could Prince Sirivut assassinate Hun Sen at his house? Would he use an army to do so? Ridiculous. Hun Sen again pulled a trick from his sleeve to eliminate Prince Sirivut who becomes more and more popular. He wants to show his strength by forcing Prince Sirivut out of the political arena. Also it's a blow to Prince Ranariddh and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] because Prince Sirivut is Secretary General of FUNCINPEC. If Prince Ranariddh goes along with Hun Sen it shows that Prince Ranariddh is only a pawn in the hand of Hun Sen and Prince Ranariddh will be isolated. It's about time for Prince Ranariddh to show some courage and defend his uncle Prince Sirivut.

A similar event occurred recently with the shooting of diplomats' children who happened to stay out late and venture in the area of Hun Sen's house. The excuse was that there was a rumor of coup attempt.

Hun Sen is ready to use the law of the jungle to keep his power. His threat always becomes a reality. When Son Sann wanted to proceed with the Congress of BLDP last month, he and Ieng Muli, who illegally took over the leadership of BLDP, warned Son Sann of upcoming violence should the latter decide to go ahead with his Congress. What happened was a step backward for democracy: more than 30 supporters of Son Sann got injured with grenade attacks. Until today there is no investigation report and the attackers are not caught. We don't need to look far. Hun Sen is responsible. He interfered in the affairs of a political party. He used the police to stop Son Sann's supporters from coming to Phnom Penh. It becomes a personal vendetta against Son Sann because the latter has been very critical of the Royal Government.

Hun Sen has diminished the post of prime ministership by condoning and promoting violence when he called on the people to attack the newspapers that are critical of him. He supported the sacking of the New Liberty News headquarters by the people of Srok Krangyov for an article critical of the development work undertaken by Hun Sen for that district. Not only did Hun Sen encourage them to use violence but he also offered to bring more trucks to transport them to Phnom Penh. He even ordered the Ministry of Justice not to prosecute the attackers. He talked about equal rights for these people, but he failed to recognize that these rights are for the people to file a defamation suit against the newspaper and not to use violence to destroy the newspaper property. To show his strength, he declared that he could assemble at least 100,000 people for the demonstration. This act of complicity from a Prime Minister cannot be tolerated in a democratic country. Even Deputy Prime Minister and Co-Minister of Interior Sar Kheng disagreed with him.

Hun Sen is above the law. He is blind with power. He is not satisfied with being a Samdech. He wants to be King. He wants his son to succeed him too. He is really a dangerous man. He dared to be arrogant with the King when he wrote a long letter to the King questioning the King's desire to regain power. He said that Hun Sen today is not like Hun Sen of yesterday. He is an independent person. It's a warning from him that he holds power and nobody messes around with him. When he learned of the defeat of CPP [Cambodian People's Party] during the 1993 elections, he went into a rage and destroyed a television set. And now instead of consulting with the King about what to do in light of the alleged plot to kill him by Prince Sirivut, he went ahead to use his force to arrest the King's half-brother. This is an insult to the King.

Hun Sen doesn't like to see an opposition emerge. He's afraid of the popularity of Sam Rangsi, so he declared Sam Rangsi's Khmer Nation Party illegal. He also used tricks to infiltrate his people in the party. On November 4, 1995, Sam Rangsi went to San Jose to meet leaders of some parties that participated in the 1993 elections. His meeting was arranged with airfare paid by a man named Muong Chheng Meng who claimed himself to be a friend of Hun Sen and told the latter that he defected to join Sam Rangsi's. That man also claimed that the US would finance the Khmer Nation Party if he was going to be made Vice President of the party. He's also involved in the setting up of a radio station under the name of Oum Proum in Cambodia and backed by the Malaysians. It's believed that Hun Sen uses him as a front for the radio station in preparation for the 1998 elections. True or not, it's also believed that Meng was the person who helped arrange for the purchase of a $5 million house for Hun Sen in San Jose. True or not, it's believed that he carried money for Hun Sen and put it in a bank in Malaysia. The amount is about $70 million. Coincidence or not, on his trip to the UN, Hun Sen stopped in San Francisco for business. Anyway from good different sources, Meng is just a good talker.

So the person who should be jailed is Hun Sen. He sold and stole the state assets. He own foreign holdings. We must keep the seed of democracy in Cambodia alive by following the example of South Korea where the former president is jailed for corruption. Enough is enough. Cambodia cannot continue to remain under the dictatorship of Hun Sen. If the CPP wants to keep its good name and dignity, it must resolve its internal power struggle by removing Hun Sen. Otherwise the CPP will sink with Hun Sen. It's about time for the Khmer people to rise up for the sake of democracy. It's about time that the international community opens its eyes and save Cambodia from the return to authoritarian rule.

Khmer Rouge on Plot Against Hun Sen, Ranariddh

BK1611160795 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 15 Nov 95

[FBIS Translated Text] According to a report from Phnom Penh, the nation-betraying Vietnamese puppets Hun Sen and Ranariddh are in terror for their lives. They are unable to eat or sleep because the people have prepared forces everywhere to blow their brains out.

On 14 November, Hun Sen and Ranariddh disclosed with great alarm that they were the targets of an assassination attempt and that they did not know when they would breathe their last breath. They said: Please help us!

Who can help you, Hun Sen and Ranariddh? Your crimes are so serious that no one is able to save your heads. You are betraying the nation; you have allowed yourselves to serve as the out-and-out lackeys of Vietnam and the alliance; you are warmongers opposing peace and national reconciliation; and you are the top brigands who have sold the land, forests, islands, seas, lakes, rivers, and so on for money to pursue war, to enrich yourselves, and to lead an extravagant life based on the suffering of millions of people. You have robbed the people's land and farmland and rounded up their husbands and sons and sent them to get killed in the flames of war. Over 6 million people have starved to death. Tens of thousands of Cambodian women have become widows while hundreds of thousands of Cambodian children have become orphans. These are the traitorous deeds you have committed.

The people say that the criminal acts you have pursued are far more serious than those committed by the devil who has been swallowed up by the earth. Therefore, you can never escape. The people will blow your brains out; they will send you to hell to be tried by Satan. You must not cry and scream — this is the consequence of your own traitorous acts.

Rangsi Investigates Reports on Staffers' Deaths

BK2011144295 Phnom Penh PHNOM PENH POST in English 17-30 Nov 95 p 3

[Report by Jason Barber and Ker Munthit]

[FBIS Transcribed Text] Sam Rangsi is investigating reports that three of his party workers in Takeo have been murdered.

The three men — killed separately — were involved with collecting thumbprints in support of Rangsi's new Khmer Nation Party (KNP) prior to its Nov 9 launch in Phnom Penh.

Rangsi said earlier this week that he had sent representatives to Takeo to investigate, and was reluctant to comment in any detail until he heard back from them.

Several human rights workers confirmed they had heard the reports, and were either investigating or awaiting more details.

Rangsi said he had earlier heard that:

One of the men had been killed in his Takeo house. After answering a knock on his door, he had been shot repeatedly with an automatic gun.

The second had been killed, also shot, while en route to Kampot province from Takeo.

The third man, identified as Trin Pheng, had reportedly been arrested by the police before his death. He was allegedly dragged behind a car alive, and his body later dumped in the jungle.

Rangsi said the last two murders were said to have happened in remote Tramkak district of Takeo, neighboring both Kompong Speu and Kampot provinces.

The area was considered dangerous, he said, and local authorities were believed to have blamed the Khmer Rouge for at least one of the killings.

The three men had been collecting villagers' thumbprints — 5,000 of which from around Cambodia were presented to the government to satisfy a requirement under the UNTAC [United Nations Transitional Authority for Cambodia] electoral law for political parties' registration.

While pledging the strongest of reactions if it was found that the men were targeted because of their link to him, Rangsi said he had to remain open-minded until there was proof of that. "I am worried but I am not accusing anyone. I want to know what has happened, and I hope my concerns prove groundless," he said.

Meanwhile, Rangsi said he received threats in the few days before the launch of his Khmer Nation Party. They included motor drivers who turned up at this house and told his staff that they had "heard" from friends in the military that his party's launch would be disrupted.

The launch was scheduled for 9 am on November 9, but Rangsi also organized a press conference at his house at 6:30 am, in case the later event could not be held.

In any event, the 9-am launch passed without incident, attended by about 1000 invited guests.

They included the Ambassadors of the United States, Australia and Canada, and representatives of the Thai Embassy — out of the entire diplomatic corp which was invited. The ambassadors who attended said afterward they were demonstrating their support for multi-party democracy in Cambodia.

But the government maintains that Rangsi has not fully met the requirements of the UNTAC electoral law, and his party is illegal.

First Prime Minister Prince Norodom Ranariddh reacted angrily to the ambassadors' presence at the launch.

He issued a statement November 10 saying that, while he supported Cambodians' right to form political parties, Rangsi's had not met the full requirements of the electoral law.

Khmer Nation Party had "no legal standing in so far as the existing laws and regulations are concerned" and could not be recognized by the government.

Ranariddh said he sincerely regretted the attendance of the ambassadors, who "never stop telling us" that Cambodia should be a state of law.

"This presence can be interpreted as to endorse the act of violation of existing rules and regulations of the Kingdom of Cambodia," the statement said.

Rangsi, meanwhile, said he had met every requirement of the law. He said the Interior Ministry had been "misinterpreting" the UNTAC electoral law.

Paper Deplores Rangsi, Others for Breaking Law

BK1711085495 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 17 Nov 95 pp 1, 2

["This Issue's Comment" column by Kroesna: "The Habit of Acting Against the Law of the Democracy-minded People"]

[FBIS Translated Text] The people (who are not addicts deprived of legal knowledge) have clearly seen the true nature of [former Finance Minister] Sam Rangsi and his group. Sam Rangsi, who has been acting against the law of the Kingdom of Cambodia, has pointed to himself, boasting that with the endorsement of some people, he is a most law-abiding person, a very clean hero, and a truly democracy-minded man.

In fact, democracy does not mean that one can act at will. If somebody uses democracy as shield for his actions, he does not act in a democratic way but in a totally anarchic manner. The actions also constitute a great deception of the people and may lead Cambodian society to bewilderment and lawlessness.

Those who know Sam Rangsi well can unequivocally confirm that not only did he fail to respect the law when he proclaimed the creation of his party, but he has also acted against the law many times in the past, including flouting the regulations of the government and the National Assembly as well as the rules of his own party.

Sam Rangsi, in his capacity as foreign minister, spent millions of dollars printing new passports without calling for bids or informing the prime ministers. He insultingly called his own National Assembly "a chicken rump assembly"; according to the National Assembly regulations, any language or action that might disgrace the supreme organ is prohibited. In foreign countries, he blatantly decried the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party chairman and exposed the party's internal affairs... [ellipses as published] against the party regulations when he was still a FUNCINPEC member. He also harassed other ministries under his supervision.

This shows that Sam Rangsi has indulged in the habit of acting against the law since he grabbed partial power.

His illegal launching of the Khmer Nation Party on 9 November has also bolstered his non law-abiding record.

If one listens, without using common sense, to Sam Rangsi, one tends to believe that he is the greatest law-abiding person because his claims prove to be entirely logical. Nevertheless, if one goes over the regulations that he has tried to say nothing about, Sam Rangsi appears to be totally wrong as stated by Prince Krompreah Norodom Ranariddh.

In reality, democrats should not show support for such illegal activity. Those using democracy as a shelter while trampling upon the law of the country, specifically, the law of present-day Cambodia, which is endowed with an internationally-elected government, are not democracy-minded people.

Mrs. Aung San Suu Kyi, who has acted against the Burmese military junta, is a democratic model while those violating the law of Cambodia, which was instituted by the international community, constitute a bad example.

'Source' on Possible Defense Ministry Changes

BK2011012495 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 19 Nov 95 pp 1, 2

[Report by Kroesna]

[FBIS Translated Text] According to an unofficial but reliable source, there may soon be changes to the post of defense minister. A high-ranking official close to the head of the government told REAKSMEI KAMPUCHEA that Em Sam-an, state secretary of the Interior Ministry will become co-minister of national defense replacing Tie Banh, and that Kun Kim, with the rank of a police major general and first deputy governor of Kandal Province, will take over the post of state secretary at the Interior Ministry relacing Em Sam-an who is moved to the Defense Ministry.

The same source also disclosed that these changes will take place after Co-defense Ministers Tie Banh and Tea Chamrat are promoted to deputy commanders in chief of the Khmer Royal Armed Forces [KRAF], next to First Prime Minister Prince Krompreah Norodom Ranariddh and Second Prime Minister Samdech Hun Sen who hold the ranks of KRAF commanders in chief. With this appointment, Tie Banh and Tea Chamrat can then issue orders to the entire army and police nationwide. This source also said that the government wants these two people to be deputy commanders in chief exclusively and assume the job when the two co-prime ministers are not in the country.

According to other information passed on to REAKSMEI KAMPUCHEA on the morning of 17 November, and confirmed by a high-ranking government official who requested anonymity, such changes were indeed discussed because if Tie Banh and Tea Chamrat were promoted to deputy commanders in chief, the posts of co-defense ministers would be vacant and need to be filled. This official also disclosed that Kun Kim has been judged competent to run police affairs because he is experienced and has been familiar with the police for a fairly long time. This official did not affirm the date when these changes will be made. Moreover no other sources have confirmed that these changes will take place.

On the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] side, the co-defense minister is expected to be Nhoek Bunchhai, the current KRAF deputy chief of staff.

Publisher Denies Ties to Vietnamese 'Plotters'

BK2011142695 Phnom Penh PHNOM PENH POST in English 17-30 Nov 95 p 2

[Report by Ker Munthit]

[FBIS Transcribed Text] The publisher of a Vietnamese-language newspaper has denied having links with the movement known as Vietnam Tudo, or Free Vietnam, but the government is moving to deport four people for plotting against Hanoi.

"I would like to deny that my newspaper has any connection with Free Vietnam movement at all," Li Chandara, the publisher of Tudo (Freedom) said in an interview with the Post.

A Free Vietnam movement formed by army officers of the former South Vietnam government, who are now naturalized American citizens, is known to have used Cambodian soil to plot the overthrow of the current Vietnamese government.

Chandara said that he heard about the organization and was once approached by its sympathizers because of similarity of his newspaper's name "Freedom" with the organizer.

"They (the sympathizers) approached me to try to persuade me, but I paid no interest in it because it (the movement) is illegal," said the publisher who used to work as Vietnamese-Khmer translator at the CPP's Pracheachon (People) newspaper in 1987-88.

"The word freedom fits my mind. That's why I made it the paper's name. They might have reckoned that my paper has the same goal as their organization, but I'd like to deny any involvement with them," he said.

He also said that he fears persecution against his newspaper by Hanoi supporters if his newspaper continues to be misrepresented.

The Ministry of Information, in June, had warned Chandara that the government would shut down the newspaper for publishing articles deemed to be hurting Hanoi.

Chandara admitted having published critical articles and said, "I think its's the right of journalists. I did not insult but politely criticized in a constructive sense, for it (Vietnam) being a communist regime. Monoparty means dictatorship, no democracy nor freedom like Cambodia," he said.

He showed the Post a June 28 letter in which the Ministry of Information, responding to the Vietnamese Embassy's complaint, expressed regret about Tudo's article(s) which "severely affected Vietnam and her government."

Hok Lundi, chief of National Police of the Ministry of Interior, said that the Free Vietnam movement was headed by four Vietnamese- Americans who are currently in hiding in Phnom Penh.

The Post has learned that one of them is Paul Andre Ross Dao, who bears a U.S. passport.

Lundi said the police were still looking for the four plotters to arrest them for deportation — a decision which he said was made in an agreement with the U.S.Embassy here.

The U.S. Embassy fully agreed with the co-ministers of interior and the national police upon the arrest (of the plotters) for deportation. We won't detain them for punishing," he said.

"The constitution of Cambodia does not allow any group to use its territory to stage the war against another nation," he said, adding that deportation would occur sometime this month, after which other people involved in the movement would have to demobilize.

However a U.S. embassy official said that the embassy has not been in contact with the authorities to solicit agreement on the specific deportation, which Cambodia has the right to do according to its laws.

"The government of Cambodia has the right to deport anybody they want to who is violating Cambodia's laws. They don't need our agreement."

Khmer Rouge 'Prime Minister' Discusses Conflict

BK1711045895 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 15 Nov 95

[Interview with Khieu Samphan, prime minister of the Provisional Government of National Union and National Salvation of Cambodia and chairman of the Cambodian National Union Party, by an unidentified correspondent on 15 November; place not given — recorded]

[FBIS Translated Text] [Correspondent] Greetings, Your Excellency the prime minister. In your 1 November 1995 interview, you said that in the contemporary era it is the people who are the determining factor, not guns and money. Could you explain why you and the Cambodian National Union Party ardently believe in the national and people's forces?

[Khieu] Yes. The communist Vietnamese aggressors and the alliance as well as their out-and-out two-headed lackeys rely on guns and money while the patriots count on the national and people's forces. Over the past 17 years, reality clearly shows that as they (?intensify the war) to kill our nation and people, the conflict that our nation and people have with them becomes deeper and fiercer. Their conflict with the peasantry as well as people of other social strata has also become progressively deeper and fiercer.

Everywhere in the countryside, the more than 7 million peasants — especially the more than 6 million poor peasants — are rising up. They are joining the National Army of Democratic Kampuchea to intensify the guerrilla and people's war with a view to dismantling the communist Vietnamese puppet administrations in villages countrywide. Almost everywhere, they have increasingly cut off the supply lines that are like small and large blood vessels for the two heads. (?Bows), punji stakes, punji pits, and [word indistinct] are used to stab, skewer, and [word indistinct] the enemy throughout the country.

In the cities and abroad, our nation and people of all social strata are engaging in increasingly deep and fierce conflict with the nation-betraying and nation-selling two-headed clique; specifically, Hun Sen, Chea Sim, and Sar Kheng — the out-and-out communist Vietnamese lackeys. These conflicts are intensely raging every day; they have brought about the struggle that is being conducted in all forms and with all methods. The national and people's forces and the forces of the peasants across the country constitute the most vigorous forces that communist Vietnam and the alliance can ever withstand. As such, the communist Vietnamese war of aggression will absolutely be brought to and end; the communist Vietnamese puppet regime will be definitely dissolved; a national regime, in which all of the Cambodian factions and political parties participate, must be unquestionably formed; and the problem of the over 4 million ethnic Vietnamese must be certainly solved by sending them back to Vietnam.

Khmer Rouge Forms Committee on Nationality Law

BK1711042995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 15 Nov 95

[FBIS Translated Text] On 15 November 1995, His Excellency [H.E.] Khieu Samphan, prime minister and minister of the National Army of the Provisional Government of National Union and National Salvation [PGNUNS], signed a communique on the creation of a national committee to draft the nationalities and immigration laws. The communique reads as follows:

Communique:

In reference to successive meetings held by the PGNUNS Council of Ministers, especially the 13 November 1995 meeting on the ethnic Vietnamese problem and the immigration problem in Cambodia, the Council of Ministers has noted that:

1. The number of the Vietnamese is now more than 4 million. Due to the war being pursued by communist Vietnam and the alliance, more ethnic Vietnamese have flowed in ceaselessly. The problem of the ethnic Vietnamese poses an imminent and serious danger to the survival of the Cambodian nation, people, and race. It is doing away with Cambodia's national independence, national unity, sovereignty, and territorial integrity and the Cambodian people's self-determination rights.

2. The Vietnamese have plunged and are plunging Cambodia and Cambodian society into all manner of irremediable crises. They have stolen land, farmland, forests, rivers, lakes, the economy, and all kinds of jobs and professions, causing misery throughout the country and making millions of Cambodian people suffer from starvation.

3. The Vietnamese — the race-exterminating and land-annexing aggressor forces against Cambodia — have been organized as the Communist Party of Vietnam, Communist Vietnamese Youth League, Vietnamese Farmers Association, Vietnamese Women's Association, Vietnamese armed forces, and Vietnamese semi-armed forces. They form the structure, [word indistinct], and the group of goons of the party and government of the SRV, controlling and [word indistinct] the communist Vietnamese puppet administrations from Phnom Penh down to the provinces, districts, communes, and villages.

4. Aside from the over 4 million Vietnamese who are in the process of wolfing down and swallowing Cambodian territory in the east and inside the country, tens and hundreds of thousands of Vietnamese cross the Vietnamese-Cambodian border every day at will to steal everything, causing Cambodian people in the east to live in the most miserable manner.

5. The regime of the nation-betraying two heads — the out-and- out lackeys of communist Vietnam and the alliance — is a dictatorial and fascist regime and a brigand regime that is lawless, thievish, and corrupt, devouring the flesh and sucking the blood of the people. It is also an international criminal regime that is destroying the nation's resources and patrimony, smuggling heroin, creating brothels, and spreading AIDS to kill Cambodians.

In view of the persistent demand of the entire Cambodian nation and people at home and abroad — who have been victimized for 17 years — that a nationalities law and an immigration law be enforced strictly and meticulously in order to solve the problem of the Vietnamese by sending them back to Vietnam, the prime minister and minister of the National Army of the PGNUNS has decided:

Article 1. To institute a national committee entrusted with the task of drafting a nationalities law and an immigration law in a urgent fashion. The laws must be completed by 10 December 1995.

Article 2. The committee is composed of 15 members with H.E. Chan Youran, deputy prime minister; minister of foreign affairs; and minister of the defense of national culture, literature, and customs, as chairman, and H.E. In Sopheap, minister of immigration dealing with the problem of Vietnamese flowing into Cambodia, as vice chairman.

Article 3. This communique is effective the day it is signed.

Article 4. The Council of Ministers Office and the Immigration Ministry dealing with the problem of Vietnamese flowing into Cambodia are charged with implementing the communique.

Cambodia, 15 November 1995

Khieu Samphan

Police Report Railroad Damage by Khmer Rouge

BK1911132095 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 19 Nov 95 pp 1, 9

[Report by Stoeng Khiev]

[FBIS Translated Excerpt] Battambang provincial police have reported that 72 meters of railway tracks northwest of Moung Russei District were seriously damaged by Khmer Rouge rebels' mine attacks on the night of 15 November. The provincial police said the Khmer Rouge carried out the attacks on the tracks, located in Moung commune, about 6 km from the district town, using four home-made mines.

This security source also indicated that between 15 and 20 rebels, led by Hoeung from F36 [?unit], carried out the attacks at 0115.

Moung Russei District, some 45 km southeast of Battambang provincial town, is one of the targets of the rebels who have been bringing reinforcements into the area.

Counterfeit U.S. Dollars Recovered From River

BK2211090195 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 22 Nov 95 pp 1, 3

[FBIS Translated Text] Kompong Chhnang Province sent a contingent of seven boats headed by Third Deputy Governor Leng Loeung to take part in the national boat race at the recent Water Festival in Phnom Penh.

At about 1000 on 7 November, the second day of the race, the rowers in one of the boats accidentally dropped the cover of their rice pot into the river at a point behind the Tonle Sap nightclub in Russie Kev, Phnom Penh. The rowers dove in to retrieve the pot cover and found a sunken nylon sack secured to a slab of stone.

The deputy governor told REAKSMEI KAMPUCHEA that after lifting the sack into the boat and opening it they found that it was full of U.S. bank notes protected by a plastic cover. The overjoyed boatmen became disappointed when they realized, after closer examination, that the money was counterfeit $50 bills bearing identical serial numbers.

Deputy Governor Leng Loeung revealed that the face value of the sunken counterfeit money was about $1 million. He is compiling a file on the find for his superiors.

Floods Destroy Rice in Banteay Meanchey

BK1111131395 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 11 Nov 95 p 4

[Report by N. Sranaoh]

[FBIS Translated Excerpt] An official of Banteay Meanchey Province's Agriculture Service said according to the latest statistics from all districts in the locality, some 30,250 hectares of rice, or 21% of the planted areas, have been completely damaged by floods.

It is reported that Banteay Meanchey Province has been hard hit by floods on three occasions at the end of this rainy season. Flood water from Thailand has submerged rice crops in almost all of the province's districts.

Of the 62,975 hectares of rice affected by the disaster, 30,250 hectares have been completely destroyed.

The most affected district is Preah Net Preah, in which 30,400 hectares of rice have been almost completely inundated and 12,340 hectares totally destroyed. In Mongkolborei District, 9,232 hectares have been submerged. [passage omitted]

Indonesia

Foreigners Expelled From East Timor Identified

BK1111111595 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 11 Nov 95

[FBIS Translated Text] The Directorate General of Immigration has been lenient toward a number of foreigners who have failed to produce their immigration documents.

Rahardi Suroprawiro, director for immigration control and suppression of the Directorate General of Immigration, told reporters in Jakarta that the foreign nationals should have been deported from Indonesia; however, the Directorate General of Immigration simply ordered them to leave East Timor and allowed them to visit other parts of Indonesia.

According to Rahardi, the foreigners were asked to leave East Timor because they might have encouraged a number of persons opposed to integration to engage in undesirable acts to commemorate the 12 November incident.

The foreign nationals found guilty of violating the immigration procedures are Bishop Soma of Japan, Reverend Ann Batten, European parliamentarian Patricia McKenna, Irish Senator David Norris, Yoshihara, Stewart, Louis, and Pau. [names and titles as heard]

Four Timorese Set To Leave for Portugal

BK2111054795 Hong Kong AFP in English 0533 GMT 21 Nov 95

[FBIS Transcribed Text] JAKARTA, Nov 21 (AFP) — Four East Timorese youths who broke into the French embassy compound Sunday will leave for Portugal later Tuesday, a Red Cross official said here.

Henri Fournier, chief delegate of the International Committee of the Red Cross office here, said the East Timorese will leave for Portugal on a commercial flight via Amsterdam, the same route taken by five of their compatriots who entered the French embassy last week.

The four were still at the embassy early Tuesday afternoon, he said, although embassy officials declined comment.

Indonesian Foreign Ministry spokesman Ghafar Fadyl said Jakarta's position on the issue remained unchanged — the asylum seekers were free to leave the country.

Fadyl said that three of the four East Timorese came from Dili, the capital of the former Portuguese colony, while the fourth came from Baucau, east of Dili. They were aged between 18 and 25 and were all students, he said.

The youths climbed over the high embassy fence Sunday, repeating the exploit last Thursday of another five East Timorese who were allowed to leave for Portugal the following day with the assistance of the Red Cross.

The former Portuguese colony of East Timor was invaded by Indonesia in 1975 and annexed the following year.

Portugal, which the United Nations still recognizes as the administrator of East Timor, has taken 75 East Timorese who have sought political asylum at various foreign missions here since 1993.

Editorial Views '12 November Anniversary'

BK1711030895 Jakarta REPUBLIKA in Indonesian 15 Nov 95 p 6

[Editorial: "The East Timorese Asylum Seekers"]

[FBIS Translated Text] The trembling in East Timor has subsided. The fear that a demonstration would occur to mark the 12 November Santa Cruz incident is over. No public memorial ceremonies were allowed except for religious services held only by the victims' family members or relatives. Wreath laying and flower strewing ceremonies at the victims graves were also permitted. The security apparatus had performed its duty well. A calm and peaceful situation prevailed despite the apprehensions. Such well-planned and speedy decisions should have been employed during previous tense moments.

Nevertheless, there were slight disturbances before and after the 12 November anniversary. Prior to that date, two East Timorese sought asylum at the Netherlands Embassy in Jakarta. Yesterday, 21 East Timorese requested asylum at the Japanese Embassy in Jakarta. Undoubtedly, Japan will need to give consideration to safeguarding its relations with Indonesia. The country will not trade its good relations with Indonesia for the sake of the 21 East Timorese.

A good number of asylum seekers previously sought refuge at the U.S. and British Embassies. These cases were dealt with by the International Committee of the Red Cross [ICRC]. The asylum seekers left Indonesia by air for Portugal.

There are some issues worthy of attention here.

First, the asylum seekers constantly stated that they feared for their safety because they were constantly hounded by the Indonesian Government. According to the government, the asylum seekers were not among those listed people sought by the authorities. East Timorese leaders in Jakarta know some of them to be credible people. Nonetheless, it was strongly suspected that the asylum seekers' only desire was to leave the country.

Second, President Suharto wisely and carefully considered this issue. As usual, the head of state did not prevent them from leaving the country with the U.S. Embassy's assistance. The president also did not prevent the latest group that wanted to leave Indonesia from doing so.

Third, the embassies in Jakarta do not provide political asylum. This is because they want to safeguard their good relations with Indonesia. The asylum seekers, however, made use of the embassies as their transit terminals.

Fourth, the ICRC has been frequently involved in such issues. It acts as a mediator and escorts the asylum seekers to their final destination in Portugal.

Will they be able to live comfortably there compared to their life in East Timor? The activists will definitely affiliate themselves with other activists. They could possibly become stronger, but the level of their strength remains questionable.

Are they living in better conditions in Portugal compared to the conditions they enjoyed in East Timor? They are living in misery, according to an Indonesian reporter who "sneaked" into Portugal. They are probably only accepted as second class citizens or even worse. It was reported that the new government in Portugal is more neutral. This means that they will not side with any East Timorese, whether they oppose or support the Indonesian Government.

Praise should be given to our friendly neighboring countries. They did not provide any political asylum because the seekers did not qualify for political asylum status. Instead, they preferred to strengthen their bilateral ties with Indonesia. It would be better for them to enhance their relations with Indonesia; for example, if they do not allow their countries to be used as transit terminals.

A question arises. Are the asylum seekers totally "cut off" from their beloved villages? Can they honestly and easily abandon their families and homeland? The answer deep within their hearts is "no." What are they searching for, then, when they know the true answer?

Article Views APEC's Economic Interdependency

BK1811063395 Jakarta SUARA KARYA in Indonesian 13 Nov 95 p 5

[Article by economic observer R. Masri Sareb Putra: "APEC and Economic Interdependence"]

[FBIS Translated Text] Japan will play host to the Asia-Pacific Economic Cooperation [APEC] forum on 19 November 1995. The meeting will be the APEC leaders third meeting since the joint declaration popularly known as the "Bogor Declaration" was issued.

Despite the different economic situations and status of its members, APEC members, nonetheless, stand united in their opinion with regard to the creation of an equitable and cooperative global trade system. To achieve that end, there is a need to establish a dialogue such as APEC, in which every nation can sit at the same negotiating table.

The path leading to the establishment of APEC was never smooth. The group faced numerous obstacles and challenges internally and externally prior to its establishment. Malaysian Prime Minister Mahathir Mohamed did not attend the first APEC summit held in Seattle in 1993. This was Mahathir's form of protest because he did not want APEC to become an organization but only a dialogue forum.

Despite Malaysia's protest, the APEC leaders agreed to transform the Asia-Pacific region into an open and free trade area. Such a decision was then further enhanced by a team comprising the eminent persons in the APEC (APEC's Eminent Persons Group). A proposal entitled "Achieving the APEC Vision" was handed over to President Suharto, the host of the 1994 APEC summit. The 42-page proposal recommended, among other things, the need to create open and free trade in the Asia-Pacific region in the year 2020. Given the fact that the APEC group comprises three different economic categories — the developed industrialized nations; the newly industrialized nations [NIE]; and the developing nations — the implementation of an open and free trade in the Asia-Pacific region would then have to be undertaken in stages.

As is known, APEC comprises the United States of America, Mexico, Japan, South Korea, the People's Republic of China, Papua New Guinea, New Zealand, Canada, Taiwan, Hong Kong, Thailand, Malaysia, Singapore, Indonesia, the Philippines, and Brunei.

The Stages

Given its competitive edge, the developed industrialized nations should open their own markets first, within a 10-year period, the NIE's within a 15-year period, and the developing nations, including Indonesia, within a 20-year period. We consider such a strategy fair. The reason is that an open and free trade area in the Asia-Pacific region does not encourage the "rules of the jungle," where the weak become the victim of the strong. The gradual implementation of APEC was also aimed at protecting the developing nations. For example, during the 20-year period, Indonesia, as a developing nations, can impose high tariffs on newly established industries.

In other words, developing nations will be able to protect themselves through the imposition of high tariffs on foreign industrial products in an effort to provide protection as well as opportunities for the growth of its own industries.

The developing countries will find it difficult to gain access in international free trade markets given the fact that their technological expertise is still below par. As such, the developing countries in APEC should consistently undertake efforts to overcome such a problem. Developing nations will definitely become victims should protection for industrial goods and services prove wanting. The final result will lead to the markets of every country being internationalized.

According to a table, developing nations were observed to record prominent export growth. The average export growth of developing nations was recorded at over 10 percent in 1994. ASEAN's average export growth was recorded at 14 percent, while the PRC's export growth was recorded at 15.8 percent. The gradual implementation of APEC will, nevertheless, provide an opportunity for the exports of developing nations to gain access to the markets of developed and newly industrialized nations.

As such, APEC realizes that the course of action it undertakes determines not only the future of its member countries but also the world's future. In addition to APEC's economy contributing some 40 percent to the total global economy, 67 percent of trade activities are conducted among its own members. Therefore, APEC has been urged to undertake more efforts during the upcoming meeting to be held in Osaka on 19 November to eliminate unnecessary regional trade obstacles.

Japan is playing an important role as a country that is financially sound and a major exporter of machinery, as well as a donor nation. Its important role is not only enhancing international trade in the Association of Southeast Asian Nations (ASEAN) and East Asia but also in the Asia-Pacific region.

The Japanese Factor

The Asia-Pacific region's economic interdependence activated market strength and evidently overcame the trade and investment problems faced by the governmental or private sector. The integration of the Asia-Pacific markets developed dramatically, despite being faced with preferential arrangement. [preceding two words in English]

It has been verified that intra-ASEAN trade increased from 31 percent to 43 percent during the 1986-1992 period. On the other hand, ASEAN's exports to the United States declined drastically from 34 percent to 24 percent. What then are the factors that contributed to the decline?

There are four interrelated factors.

1. A substantial expansion of incomes due to economic growth will further increase trade.

2. Unilateral trade liberalization has reduced restrictions on trade and investment undertaken by governments and the private sector in Japan, Korea, Taiwan, ASEAN, and the PRC.

3. Creation of a complementary economic structure through direct foreign investment.

4. Formation and expansion of various regional economic cooperation schemes (for example, the Singapore-Johor-Riau Growth Triangle in ASEAN and the Hong Kong-China-Taipei nexus).

Developing countries in East Asia have grown into an unignorable power since 1986. Reality has expanded economic interdependency in the region. Accordingly, Asia's current economic growth is being boosted by growing exports to newly industrialized economies, the PRC, and ASEAN which have successfully recorded growth despite a continued recession in Japan and Europe and slow economic growth in the Americas.

It is, thus, very interesting to observe interdependency between ASEAN and Japan. Various economic and political issues emerged during the annual dialogue between ASEAN and Japan in July 1993. The two sides expressed their intention to further strengthen cooperation.

What did ASEAN recommend during the dialogue?

First, an end to the Cold War and subsequent regional changes have brought about uncertainties and new challenges. Accordingly, there should be stronger cooperation between Japan and ASEAN. The two sides must further enhance their interdependency through closer bilateral cooperation.

Second, ASEAN warmly welcomed Japan's initiative of establishing closer economic and political bonds with ASEAN and APEC to achieve peace, stability, and prosperity.

Third, bilateral dialogue on cooperation in trade, investment, technology transfer, and cultural exchange took precedence over politics and security.

Fourth, ASEAN reiterated the importance of trade and investment between Japan and ASEAN and the need for flexibility toward global changes.

ASEAN is an important region for Japan due to its Overseas Development Aid [ODA] program. Aid to ASEAN accounted for 35 percent of Japan's ODA for developing countries in 1992. How can we describe the phenomenal trade and investment relations between Japan and ASEAN?

Apparently, the flying geese theory can explain their relations. In theory, Japan as the leader is taking its trade partners toward progress. Japan has transferred its technology to ASEAN through direct foreign investment in and trade with ASEAN. Added manufacturing and agricultural value has, thus, been created.

It is, therefore, understandable why the United States has tried to foil the Malaysian-proposed East Asian Economic Caucus [EAEC]. Geographically speaking, Japan is a member of the caucus, while the United States is not. (Prof. Lawrence B. Krause, 1994).

In addition, Asia's economic growth does not depend considerably on the U.S. market, but rather on the Japanese market. It is feared that this factor could trigger a conflict between the United States and Japan.

Daily Views Implications of APEC Summit

BK2211015095 Jakarta SUARA KARYA in Indonesian 21 Nov 95 p 5

[Editorial: "From Vision to Action"]

[FBIS Translated Text] A historic achievement has been recorded in Osaka, Japan. Japanese Prime Minister Tomiichi Murayama said the third informal meeting of APEC [Asia-Pacific Economic Cooperation] economic leaders in Osaka has made historic momentum by adopting the Action Agenda, "which serves as a manifestation of our political will to realize our commitment to the Bogor meeting." The agreement reached by APEC leaders in Osaka can also be considered as the translation of a vision into action. At the Blake Island meeting in 1993, a vision was formed for the Asia-Pacific economic community. At the Bogor meeting in 1994, the leaders agreed to adopt several specific targets and objectives on free trade and investment. In Osaka, the Bogor agreement was translated into the Action Agenda. After that, each country will prepare a concrete and substantive Action Plan which will be discussed at the ministerial meeting in the Philippines in 1996. The Action Plan is scheduled for implementation in January 1997.

What the APEC economic leaders have just achieved is indeed historic, and astonishing in terms of the time spent. Three summit meetings in three years have managed to produce the Action Agenda, while Western European countries needed more than 25 years to reach a free trade agreement. This achievement is even more noteworthy because of the different levels of economic strengths of APEC member countries.

The Osaka summit proceeded smoothly. Earlier, it was believed that Japan would stubbornly call for its exemption from the liberalization of farms produce. However, it did not raise the issue at all. In fact, it initiated the praiseworthy "Partners for Progress" fund worth 10 billion yen (about 23 billion rupiah). As a developed country, Japan appears to be sincerely trying to promote economic and technical cooperation, especially among APEC's developing countries. Its initiative should be emulated by other APEC developed countries like the United States and Canada. To bridge the gap among APEC countries, such a partnership program is needed to improve the economies of developing countries.

The only dissenting voice heard was from Malaysia. Prime Minister Mahathir Mohamed said his country is not bound by the Osaka agreement even though he had signed it. He was also unsure if the deadline for the abolition of all tariffs in 2020 could be realized.

The objections he had raised earlier have actually now been settled. He did not want to see APEC become a closed grouping. He also believed that the implementation of the agreement should be adjusted to each country's level of development. The Bogor Declaration stipulated that APEC is not meant to be turned into a closed trade bloc. In implementing the resolutions, member countries will adopt the principle of flexibility by paying attention to the capability of each country. Its unwillingness to commit itself to the Action Agenda sounds strange because as an ASEAN member country, Malaysia has already committed itself to free trade by 2003.

Based on the above reasons, it appears that Prime Minister Mahathir's unwillingness to accept APEC is due more to the fact that his proposal to set up the East Asia Economic Caucus (EAEC) has received only lukewarm response. However, Mahathir's stand is unlikely to obstruct the implementation of the Action Agenda.

Even though the Action Agenda for every sector has been adopted by APEC leaders, it does not mean that its implementation will be smooth. A concrete and substantive Action Plan must still be formed by each country to be discussed at the ministerial meeting in Manila next year. Tough bargaining is still expected because the Action Plan is based on each country's voluntary concessions. This means that each country will pay attention to its own interests first. Japan may decide to do away with its agricultural produce protection at a later date than the United States, Australia, and New Zealand. Even though APEC upholds the principle of flexibility, the principles of equality and simultaneous commencement of implementation must also be upheld.

Due to diverse national interests, the realization of the Action Agenda will still attract strong debate with the ministerial meeting in Manila becoming a forum of intense negotiations. However, in view of the leaders' agreement, the obstacles will eventually be overcome because they are unlikely to eat their own words. This could be seen in Osaka.

Diverse national interests are also expected to become a test in the future, not only within the APEC framework, but also in bilateral cooperation among members. For this reason, there is a need to set up a dispute mediation board as proposed by Indonesia, and adopted in Osaka. If a trade dispute arises, for example, between the United States and the PRC, the board will perform its duty and the dispute will not have to be referred to the WTO [World Trade Organization]. The board will also help forge close ties among APEC member countries.

The Osaka Declaration stressed that the success of the Action Agenda will depend on the continued efforts of APEC member countries themselves, their strong discipline, and close consultations.

Indonesia's position is also interesting as a study. Minister-State Secretary Murdiono pointed out that Indonesia's Economic Deregulation Package issued on 23 May 1995 was a step ahead of what the Uruguay Round had demanded. For example, Indonesia has implemented 87 percent of the tariff abolition scheme. As such, it has already staked a considerable sum as down payment [two preceding words in English] in the APEC's trade and investment liberalization. The remaining protective wall will be torn down gradually as President Suharto pointed out two weeks ago. Therefore, viewed from the standpoint of government policies, Indonesia is certainly ready to face the liberalization timetable.

What we want to know is whether our businessmen are ready to take advantage of the trade and investment liberalization, or at least they will not be hurt by such liberalization. Here lies the important role of our private sector. From the government's point of view, the 23 May 1995 Economic Deregulation Package has indeed facilitated the growth of the business sector, especially small- and medium-sized businesses, which will receive various facilities including investment opportunities, industrial restructuring, procurement of raw materials from the bonded area, and transaction with other companies within the bonded area. It is now up to the businessmen themselves whether they are able to benefit from the government's economic deregulation policies.

Editorial Views Implementation of APEC Agenda

BK1811074795 Jakarta SUARA KARYA in Indonesian 18 Nov 95 p 5

[Editorial: "The Draft APEC Action Agenda Approved"]

[FBIS Translated Text] There was happy news from Osaka prior to the third Asia-Pacific Economic Cooperation [APEC] economic leaders meeting [AELM III], which starts today. Hartarto, coordinating minister for industry and trade, as Indonesia's chief delegate to the ministerial meeting, said the Action Agenda had been unanimously approved. This means that comprehensive trade liberalization and its timetables — 2010 for developed countries and 2020 for developing countries — were fully approved.

The news came as a surprise because sharp differences in opinion over the exemption of sensitive sectors still existed minutes before the ministerial meeting started on Thursday. There were even fears that the differences would cause a rift in APEC. Japan, South Korea, China, and Taiwan wanted the agricultural sector to be exempted. The agricultural sector in the four countries has been protected and subsidized by the governments. Agricultural policies in those countries, especially Japan have a great impact on political life because farmers have strong lobbies in parliaments. On the other hand, Australia, New Zealand, and the United States as exporters of agricultural products demanded that the Action Agenda not provide special treatment or exempt sensitive sectors, particularly agriculture.

Fears that AELM III would fail to approve the draft Action Agenda mounted because the Japanese delegation was headed by Minister Ryutaro Hashimoto who is known to be tough in negotiations with the United States over the automotive dispute. In the meantime, news from the United States that President Bill Clinton is unable to attend AELM III increased fears. In any case, President Clinton would have been expected to make breakthroughs if there was a deadlock. The coordinating minister's remarks really caused a sigh of relief after the fears and pessimism. Moreover, the differing parties such as Japan, South Korea, China, and Australia stated that the Action Agenda had been approved, and there had been no wording that could be directly or indirectly interpreted as giving special treatment to or exempting sensitive sectors. The principle of flexibility seemed to have become the key to success of the ministerial meeting in unanimously approving the draft Action Agenda.

A question remains. Why did Japan, which had strongly lobbied fellow APEC members for support and which had remained adamant in its demands until Wednesday, suddenly agree to approve the draft Action Agenda? We know that there is very strong domestic pressure on the Japanese Government to demand special treatment for the agricultural sector. Apparently, the host, Japan, did not want to be blamed for the possible failure of AELM III or, even, the possible breakup of APEC. Apparently, Japan has done its best to ensure that differences in opinion among APEC members should not occur at AELM III in Osaka. If our guess is correct, there will be tough discussions on the details of the principle of flexibility in implementing trade liberalization. The Philippines will, thus, face a heavy task during AELM IV in Manila next year.

The fact that the draft Action Agenda has been unanimously approved in no way means that a blueprint for the implementation of trade liberalization will be issued smoothly. If that is the case, the Action Agenda may be simply a formal agreement, the full implementation of which will be delayed. Of course, we do not want that to happen. We hope that the unanimous approval of the

Action Agenda will be followed by smooth discussions on the full implementation of the agenda.

Editorial Claims APEC Accord 'Involuntary'

BK2111111195 Jakarta MERDEKA in Indonesian 21 Nov 95 p 6

[Editorial: "The Osaka Agreement Was Considered Involuntary"]

[FBIS Translated Text] The widely acclaimed success of the APEC [Asia-Pacific Economic Cooperation] summit in Osaka, Japan, could be called an "involuntary consensus." After about 150 drawn-out, boring meetings, a so-called "flexible" agreement was finally reached in order to launch a "deadline" to implement the liberalization of trade and investments. The "deadlines" decided were the year 2020 for APEC's developed nations, and the year 2010 for developing nations.

As explained by Foreign Minister Ali Alatas, the "Action Agenda" is actually nothing more than a "blueprint" adopted for the implementation of the Bogor Declaration. The term "flexible" was used in an effort to pacify Mahathir Mohamed regarding the "inactive" attitude in connection with the implementation of the "Action Agenda." As previously acknowledged, Mahathir had taken into account the possibility of the developing countries being left behind by the developed ones, not only by a decade but by over a decade and a half. It was feared that developing countries would gain nothing within the context of the APEC agreement.

We are also concerned with the year 2020 being declared as the "deadline." Developing countries have to meet toward implementing their trade liberalization. From the time the so-called "Pacific Rim Forum" was conducted in Beijing on 25 October 1994, it has been observed that developed nations are dedicated to APEC's success.

The developing nations wanted APEC to act as a loose consultative forum. However, their already developed counterparts want to transform APEC into a trade bloc. Speaking candidly and openly, Allen Carroll, chairman of the Pacific Rim Forum, said he wanted APEC to become an important global economic center such as NAFTA [North America Free Trade Area] or the European Union.

President Clinton, who was unable to attend the Osaka summit, had previously stated that the United States had opened wide its domestic market. He expressed the hope that other countries would emulate the example of the United States so that products from every country could become more competitive, whether or not they were in the form of goods, investments, or services.

The Osaka Agreement is currently confronted by the problem of time. Time is passing quickly and the developed industrialized countries are becoming impatient with the economic development of developing nations, which is moving according to their own "pace and rhythm." The economic growth rate of developing nations is an average of 6.2 percent, while the growth rate of their developed counterparts remain at a standstill.

Developed nations have no alternative but to pressure APEC members not to take things in their own stride but to expeditiously adhere to the nine general principles laid down in the "Action Agenda." For the moment, the outcome of the "involuntary" compromise was seen as more than merely adequate compared with what had occurred in Bogor last year.

Commander General Downplays Military Threats

BK2011150095 Jakarta ANTARA in Indonesian 1144 GMT 20 Nov 95

[FBIS Translated Excerpt] Bandung, 20 Nov (ANTARA) — Armed Forces Commander General Feisal Tanjung said that a possible invasion of Indonesia is very remote and threats to public security and order are under control.

"Nevertheless, we must always be ready to anticipate possible threats swiftly and accurately due to uncertain factors and possible rapid changes," he said when opening a national symposium on defense and security technology at the Bandung Institute of Technology complex in Bandung on Monday afternoon.

He said: "Our country must indeed have strong and reliable armed forces from time to time."

The security of the unitary Republic of Indonesia is strongly influenced by external forces — other countries — and internal factors — threats to public security and order and activities by security disturbance movements [official term for anti-government rebels in Indonesia].

Regarding external forces, the armed forces commander reminded us of various possible changes in the balance of power in the Asia-Pacific region.

He regarded three countries — China, Japan, and India — as powers that should be duly monitored because any change in their strategies will affect the entire region.

Their strength has grown in line with the gradual reduction of U.S. military forces in the region, including South Korea and Japan.

"The reduction can prompt the emergence of new regional military powers such as the PRC, Japan, and India," Gen. Feisal Tanjung said.

China, for example, is capable of producing its own ballistic missiles with nuclear warheads, aircraft, submarines, warships, and certain weapons. In addition, China continues to increase its military budget over the last decade.

"There is growing anxiety over a possible Chinese threat due to the upcoming return of Hong Kong and Macau to Chinese rule, which will strengthen China's economy, and the ratification of the 1992 Law on Territorial Waters," he said.

Japan is very superior in applied technology, and a high degree of mastery of science and technology will facilitate the transformation of its economic industry into a military industry.

"Its projected military capabilities will stretch 1,000 nautical miles from its outermost island," the armed forces commander said.

In South Asia, India managed to reduce tension with its neighbors and used the Soviet Union to boost its military industry.

"The capabilities of the Indian Navy tend to grow thanks to the support of nuclear submarines and aircraft carriers. This can support its ambition to dominate the Indian Ocean," he said. [passage omitted]

Laos

Vice Premier Ends PRC Visit; Accords Reached

BK1811130295 Vientiane KPL in English
1039 GMT 17 May 95

[FBIS Transcribed Text] Vientiane, November 17 (KPL) — Laos and China reached agreements in electricity cooperation expansion of communication, transport, trade, investment, science, technology and environment during the visit to China by Vice Premier Khamphoui Keoboualapha between November 09-16.

The visit was aimed at fostering the outcome of the state visit to China between June 30-July 06 by President Nouhak Phoumsavan of the Lao P.D.R. [Lao People's Democratic Republic] and his wife.

During the visit, the high-level economic delegation held talks with Chinese Vice Premier Zou Jiahua and with a delegation of the Ministry of Foreign Trade and Economic Cooperation. The Lao delegation also paid a courtesy visit to Prime Minister Li Peng of China.

The destinations of the delegation's visit included Kunming, Shanghai, Shenzhen in addition to Beijing.

Khamphoui Keoboualapha, vice prime minister and president of the Committee for Planning and Cooperation, his wife and his party arrived here yesterday from China, ending their visit to China at the invitation of Chinese vice-premier Zou Jiahua.

PRC Peace Group Visits Foreign Minister

BK2111111695 Vientiane KPL in English
0914 GMT 21 Nov 95

[FBIS Transcribed Text] Vientiane, November 21 (KPL) — The Chinese delegation led by Mr. Li Peiyao, president of the Chinese Association for Peace and Arms Reduction, yesterday called on Foreign Minister Somsavat Lengsavat and later on National Assembly Vice-President Khambou Sounisai during its official working visit to Laos.

During the talks, which proceeded in a friendly atmosphere, the two hosts hailed the visit to Laos by the delegation, which served as a landmark to further expand the long-existing cooperation and friendship between Lao and Chinese peoples.

Both the guests and the hosts shared the view that the cooperation in various fields between the two countries has entered a new phase and the friendly ties have been greatly strengthened.

The two hosts also expressed pleasure that the visit by the delegation was a big success.

Cambodian-Lao Border Group Holds 1st Session

BK2211131695 Vientiane KPL in English
0916 GMT 22 Nov 95

[FBIS Transcribed Text] Vientiane, November 22 (KPL) — The first meeting of the Lao and Cambodian Border Commissions was held on November 20 at the Ministry of Foreign Affairs.

The meeting, the first of its kind between the two countries, dealt with the common border and implementing and applying the outcome of the talks between Lao President Nouhak Phoumsavan and King Norodom Sihanouk in Cambodia on June 8, 1995, who assigned the two governments to complete technical work.

The Lao deputy foreign minister, Phongsavat Boupha, heading the Lao commission, and the Cambodian deputy minister of foreign affairs and international cooperation, Mr. Uch Kim-An, heading the Cambodian commission, both evaluated the fine tradition of relations between the two countries and people since ancient time, and said that with this new step, the relationship has been further developed.

Both sides expressed satisfaction with this first meeting and agreed in principle on the common border. The agreement will lead to the signing of a treaty between the two countries for the benefit of the two peoples in making the common border a border of peace, friendship and cooperation.

The Cambodian-Lao border commission arrived here on November 20, on their working visit until November 22.

Mr. Uch Kim-An and his delegation yesterday also called on the Lao foreign minister Somsavat Lengsavat at the Ministry of Foreign Affairs.

On this occasion, Mr. Somsavat Lengsavat expressed pleasure for the visit to Laos by the delegation and satisfaction that the commission would apply the outcome of the meeting which resulted from the talks between President Nouhak Phoumsavan and King Sihanouk in June 1995.

Mr. Uch Kim-An conveyed the greeting of the Cambodian minister of foreign affairs and international cooperation to Mr. Somsavat Lengsavat.

During their talks, the guests and the host also discussed several other issues in a friendly atmosphere.

Cambodian Health Delegation Arrives for Visit

BK2011135595 Vientiane KPL in English
0926 GMT 20 Nov 95

[FBIS Transcribed Text] Vientiane, November 18 (KPL) — A delegation of the Health Ministry of the Kingdom of Cambodia headed by its minister Dr Chhea Thang arrived here yesterday on its seven-day visit at the invitation of the Lao minister of public health.

The visit was aimed to discuss and develop cooperation between the two health ministries of Laos and Cambodia. A bilateral agreement of cooperation for 1995-1996 is expected to be signed here within the framework of this visit. The visiting delegation is scheduled to visit hospitals in the provinces of Luang Prabang and Vientiane, Vientiane Prefecture and several historical sites.

French Humanitarian Delegation Ends Visit

BK2111110995 Vientiane KPL in English
0911 GMT 21 Nov 95

[FBIS Transcribed Text] Vientiane, November 21 (KPL) — A French delegation, led by Mr. Xavier Emmanuelli, deputy minister to the French Prime Minister's Office in charge of emergency humanitarian actions, on November 18 left here after ending its working visit to the Lao PDR [People's Democratic Republic].

During its two-day visit, the French delegation met the Lao delegations in charge of humanitarian affairs, such as the Ministries of Labour and Social Welfare and of Public Health. This delegation also called on the Lao foreign minister.

Mr. Xavier Emmanuelli, on behalf of the French Government and people, presented a 300,000 French franc check as relief for the Lao people affected by the natural disasters and pledged to give assistance to the projects of unexploded ordnance clearance, war invalids, drug smuggling and other problems. This visit was considered as furthering the relations of friendship and cooperation between Laos and France.

Philippines

ASG Reportedly Divides Into Smaller Groups

BK1711090895 Manila MANILA BULLETIN
in English 15 Nov 95 p 40

[Report by Cena B. de Guzman]

[FBIS Transcribed Text] The Abu Sayyaf Group (ASG) has broken up into smaller groups to avoid detection and arrest, Lt. Gen. Alfredo L. Filler, Armed Forces of the Philippines (AFP) vice chief of staff, said Monday.

"They are easier targets as long as they stay in one place. They moved to Jolo, Sulu trying to put up their own team there and operate and we were able to dislodge them," Filler said, adding that in Basilan "the ASG had put up a center to fortify and build up their group but we were able to dislodge them, too."

"Probably they are learning their lessons and are staying in smaller groups," the AFP spokesman said.

While the ASG has the capability to conduct terroristic activities, they are not really that big (a group), Filler said.

It was also learned that even if the ASG had broken into smaller groups, they are in constant communication with the other groups and they are not always in one group, "in this way it is harder to separate them from the general milieu of things."

Filler stated that the possibility of the ASG conducting another attack similar to the Ipil attack in Zamboanga del Sur last April 4, 1995 is not remote, but the preventive measures the government is undertaking is still working as we have not seen similar (incident) to the Ipil attack.

"But we must always be watchful," Filler added stressing that "they (ASG) keep moving and they do not stay in one place at a time and we have to keep on looking for them."

Muslim Extremists 'Biggest Threat' to Security

BK2211123595 Quezon City DZBB Radyo Bisig
Bayan in Tagalog 0800 GMT 22 Nov 95

[FBIS Translated Text] The strengthening of Muslim extremists forces including the Moro Islamic Liberation

Front, the Abu Sayyaf, and the National Islamic Command, is the biggest threat to the country's security. The National Security Council confirmed this following the conclusion of its meeting in Malacanang [presidential palace].

Based on a report from the Department of National Defense, Muslim extremists forces are strengthening, with their numbers having increased, and their links to international terrorists widened.

Defense Secretary Renato De Villa said Muslim extremists or local terrorists are not only setting up hideouts in Mindanao but also in Metro Manila and other parts of the country.

With regard to this, Presidential Anti-Crime Commission chairman and Vice President Joseph Estrada said all the government's law enforcement agencies are on alert.

Adviser: 'No Bloody War' Possible in Mindanao

BK1711090695 Manila MANILA STANDARD in English 15 Nov 95 p 2

[Report by Joem H. Macaspac]

[FBIS Transcribed Text] Presidential Adviser on the Peace Process Manuel Yan yesterday belittled threats of a "bloody" December in Mindanao if the forthcoming talks between the government and the Moro National Liberation Front (MNLF) does not yield the desired peace in the Southern Philippines.

"That is not true," Yan said, indicating that the government is not at all bothered by threats that emanated from quarters that are not very optimistic about the outcome of the one-week peace talks between the two camps in Jakarta.

"There will be no bloody war," Yan added, disclosing that the government, which continues to enjoy war materiel and troop superiority over the secessionists, will not allow the negotiations to deteriorate to the point that the MNLF will decide to reengage in armed conflict.

Yan said he is confident that the talks will be the final round with the MNLF that will eventually bring peace in Mindanao.

"But if we cannot," he said, "then we will have to continue talking with the MNLF."

Misuari as candidate [subhead]

Yan said the government is trying very hard to convince MNLF Chairman Nur Misuari to come to accept the government's proposal, including one that will make Misuari the Ramos government's candidate for governor in the proposed elections in the Autonomous Region for Muslim Mindanao (ARMM).

"He (Misuari) will be the official candidate of Lakas [Party] and the president has agreed to endorse him," Yan said, disclosing that the government peace panel will reiterate the proposal when the talks with Misuari begin in 27 November.

Misuari has reportedly rejected the offer, saying the plan does not conform with his general program of government for Mindanao.

Official Says Hosting APEC Beneficial

BK2111111795 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 21 Nov 95

[FBIS Translated Text] The Philippines can gain many benefits from hosting the APEC [Asia-Pacific Economic Cooperation] meeting. This statement was made by Executive Secretary Ruben Torres in defense of criticisms regarding the country's extravagant hosting of the meeting next year.

Senator Francisco Tatad said it is just a waste of money for the government to spend more than 1 billion pesos to host the APEC meeting.

According to Torres, it is only money.

[Begin Torres recording in English] I think we have to [?bear] advantages of hosting the APEC both for ASEAN countries and for the regional arrangement far outweigh the disadvantages. [sentence as heard] It is only money. [end recording]

Thailand

Prime Minister Discusses APEC Consultations

BK1811025595 Bangkok Radio Thailand Network in Thai 0000 GMT 18 Nov 95

[FBIS Translated Text] The ongoing meetings of leaders of Asia-Pacific Economic Cooperation [APEC], in Japan from 17 to 21 November 1995 have produced satisfactory results on six points.

After meeting with APEC leaders yesterday evening, Prime Minister Banhan Sinlapa-acha briefed reporters on the following results:

[Begin Banhan recording in progress] The objective is that the trade liberalization must cover all fields without exception. This also includes agricultural goods. The time frame will be discussed at a later time depending on when each country will be able to implement it. Second, regarding the flexibility of implementing the Action Agenda, there is no specific period fixed for each country. That is, developed countries must complete it by 2010 and developing countries by 2020. Third, there will be no compulsory talks to compare each country's work plans. Each country will be allowed to do it voluntarily. Fourth, there will be no discrimination regarding liberalization, whether they are APEC members or nonmembers of the APEC group. Fifth, emphasis will be placed on the importance of economic and technical cooperation. Regarding this, Japan has already announced such cooperation by donating 10,000 million yen, or about 2,500 million baht. The sixth point is the acceptance of the role of the private sector. It has been agreed to set up a permanent international organization for the private sector, which we proposed naming ABAC — the APEC Business Advisory Council. All these points are in line with what we, the Thai side, expected out of the agreements.

Lastly, informal meetings among leaders of all countries will be held tomorrow night. But at 9.30 a.m. tomorrow morning, I will meet with the Australian prime minister, then with the Canadian prime minister, and the Malaysian prime minister before noon. At noon, I will attend a luncheon held for businessmen who signed the agreement today. Between 2 and 3 p.m., I will meet with the Japanese prime minister, then the South Korean president and New Zealand's prime minister. [end recording]

Editorial Praises Outcome of APEC Summit

BK2211081295 Bangkok BUSINESS DAY in English 22 Nov 95 p 4

[Editorial: "APEC Must Live Up to the 'Action Agenda' It Set Itself"]

[FBIS Transcribed Text] US Vice-President Al Gore described the progress at the just-concluded informal summit of the Asia-Pacific Economic Co-operation (APEC) in glowing terms, with the words "dramatic", positive", and "progress" generously sprinkled in his comments. Australian Prime Minister Paul Keating was no less effusive when he said: "APEC has reached its critical mass and gone solid. The Osaka Action Agenda is a very high-quality piece of policy-making."

The year 2020, a target year for the full implementation of APEC's free trade plan, is still very far away, of course, and so there is much yet to be done until then. All the same, China should receive the highest accolade for coming to Osaka with good intentions as well as constructive action. China completely upstaged everyone else by pledging to cut back tariffs on two-thirds of its import categories by at least 30 percent from next year. Although the actual significance of China's pledge can't be measured in monetary terms until the specific categories and merchandise items are identified, there is an important symbolic significance to China's action.

The US, by contrast, put absolutely nothing on the APEC table this time except words. However, the US should not be taken to task for holding back on concessions, for all APEC member nations realize that when free trade finally arrives, the biggest market by far will still be those fueled by the purchasing power of American consumers. No other country in the 18-member strong APEC will ultimately bring as much to the organization as the US.

The centerpiece of the Osaka meeting is a 78-page document titled "Action Agenda". Among other things, the document establishes target dates for specific measures to be taken by the member nations on the road towards free trade. The measures include tariff reductions, removal of non-tariff barriers to trade, greater transparency in trading rules and procedures, and cutting red tape. In addition, member nations pledged over the next year to voluntarily reduce trade barriers. Indonesia also deserves high compliments for its unilateral offer to cut tariffs by up to 10 percent by the year 2003. Here, too, it is hard to gauge the financial impact of Indonesia's pledge until the specifics are known, but the gesture is of significant positive value in itself.

The achievements at this year's APEC summit should be a yardstick by which accomplishments in subsequent years are measured. And now that a substantive Action Agenda is in place, future achievements should also be measured in terms of how well each member country meets the goals and objectives of the plan of action And hopefully, the pace of progress will accelerate as each year goes by, notwithstanding the fact that the concessions will be harder to make as the year 2020 approaches because the most protected sectors will face the day of reckoning only when it is absolutely unavoidable.

Papers View Reaction to Thanat's UN Address

BK1411032295

[FBIS Editorial Report] Two Thai-language dailies — NAEO NA and MATICHON — carry editorials on the address by Colonel Thanat Khoman, head of the drug inquiry panel, to the UN Third Committee, where he argued against U.S. drug-related allegations against Thai politicians.

NAEO NA on 11 November carries a 500-word editorial on page 3 entitled: "The Prime Minister Must Be Held Responsible." It says that "there is concern that Thanat's address could negatively affect Thai-U.S. relations. The government has been trying to convince the public that Thanat's address will not affect relations with the United States. It also says it does not have to be held responsible for Thanat's address. This government's attempt to avoid responsibility leads one to question who appointed Thanat as special government adviser and head of the public hearing panel aimed at whitewashing politicians on the receiving end of the U.S. allegations. The answer is that it was the prime minister who made the appointment. In such a situation, how can the prime minister refuse to accept responsibility for any undesirable impact on Thai- U.S. relations?"

The editorial concludes: "Facts have confirmed that Prime Minister Banhan Sinlapa-acha appointed Col. Thanat to head the public hearing panel in order to help vindicate the two politicians of the U.S. allegations. Consequently, how could the prime minister not be held responsible for Thanat's action?"

MATICHON on 12 November carries a 500-word editorial on page 22 entitled: "The Government Must Be Held Responsible for Allowing Thanat To Cause Trouble." After noting that the prime minister and some cabinet officials have been disowning Thanat's address to the UN Third Committee by saying that Thanat's address was his own personal view and had nothing to do with the government's position, the editorial says: "No matter how vigorous the denial, the connection between Thanat and the Banhan government is irrefutable. Only a government representative has the privilege to speak before an international forum. The media and many people who were concerned for the country earnestly expressed their reservations about allowing the 80-year-old man to go to the United Nations, because the prime minister must be held responsible if Thanat acted in a manner that damaged the country. That concern went unheeded."

In conclusion, the editorial says: "The Thai Government must be held responsible now that an issue has arisen that adversely affects the country's reputation and other interests. In particular, since Thanat was appointed by the prime minister to head the panel to whitewash Watthana Atsawahem and Narong Wongwan, for Thanat to continue to carry out his duties in that post could only aggravate the dispute between Thailand and the United States. The process to whitewash the two politicians has generated a foul odor. The odor will get stronger the longer this continues and will eventually spread to the government. By then, the call by the country's masters for the government to show that it has responsibility will be very loud indeed."

Minister Promises Action Against Khun Sa Army

BK1411050695 Bangkok THE NATION in English 14 Nov 95 p A6

[Unattributed report]

[FBIS Transcribed Text] Thailand has promised Burma there will be no repeat of an incident in which members of Khun Sa's Mong Tai Army [MTA] were arrested on Thai soil and allowed to return to Burma without being disarmed, Foreign Minister Kasemsamoson Kasemsi said yesterday.

Kasemsamoson said he gave Burma that assurance when he met its powerful secretary-general Lt Gen [Lieutenant General] Khin Nyunt during his two-day official visit to Rangoon at the invitation of his Burmese counterpart U Ong Gyaw.

Burma has accused Thailand of harbouring its minorities, particularly drug kingpin Khun Sa and his MTA troops.

Thailand's support of Khun Sa helped MTA troops attack Tachilek township in Burma's Keng Tung province from the Thai side early this year, Burma claims. Tachilek borders Chiang Rai's Mae Sai district.

Burma ordered the closure of border checkpoints in Mae Sai after Tachilek was attacked by the MTA. Burmese government troops are now in control of the province.

"The incident in which Khun Sa's troops were allowed to return to Burma without being disarmed will not take place again. Thailand is well aware that Khun Sa is a major source of drug trafficking, so it will do its best to end his activities," Kasemsamoson said at the airport upon his return from Rangoon.

Also raised during his meeting with Burmese leaders were border disputes along the Moei River which separates Tak's Mae Sot district from Burma's Myawaddi province.

The disputes prompted Burmese authorities to suspend construction of the Thai-Burma bridge after they accused Thailand of changing the banks of the river.

Thai traders were found to have erected permanent buildings on the river bank, action which Rangoon said had altered the border line.

Kasemsamoson said Burma was concerned about the issue and had requested that Thailand return the river bank to its previous condition.

"The matter also concerns the changing of an island in the Moei river. Burma asked during the meeting for Thailand to rectify the situation," Kasemsamoson told reporters.

Kasemsamoson proposed that Burma allow the construction on the bridge to resume on the same day that Thailand starts to act on Burma's requests. Burma said it would consider the proposal.

Kasemsamoson's visit to Rangoon came only a few days after a group of Burmese fishermen killed five Thai crew members on their trawler. Kasemsamoson said Burma did not yet have enough information on the incident.

Burma Protests Aid to Wounded Khun Sa Soldiers

BK1911125895 Bangkok THE SUNDAY POST in English 19 Nov 95 p 3

[Unattributed report]

[FBIS Transcribed Text] Rangoon has demanded an end to humanitarian aid to Khun Sa's men wounded in clashes with Burmese forces, a source said yesterday.

The demand was put to Defence Minister Chawalit Yongchaiyut by Burmese Deputy Prime Minister Maung Maung Khin, whose visit to Thailand ended yesterday.

The source said: "Burma is serious on the matter and regards humanitarian aid to Khun Sa's wounded soldiers as official support for the leader of the Mong Tai Army."

But Gen Chawalit said the Government would not tolerate action by Khun Sa deemed to be a danger to the world community.

"Our position is quite clear on this matter," he said.

The representative of the Rangoon junta asked Gen Chawalit to consider the demand for compensation for Burmese killed in an MTA [Mong Tai Army] attack in Tachilek, the source said.

The Government has already rejected the demand, based on Rangoon's contention the attack was launched from Mae Sai.

Gen Chawalit said the five-day visit had fostered greater understanding and helped improve relations strained by border disputes, allegations of Thai assistance to minorities, and the murder of Burmese by Thais on a trawler.

There had been agreement disputes over several border incidents were matters that could be solved locally.

"Officials at the regional level should meet regularly to tackle any misunderstanding," said Gen Chawalit.

Work on the Thai-Burma Friendship Bridge in Mae Sot, Tak, suspended by Rangoon, had not been raised during the visit.

On fishery problems, Gen Chawalit said both sides agreed in principle to further talks to avoid further clashes.

Burma had agreed in principle, he said, with Thailand's proposal to establish a joint naval patrol to prevent fishing disputes in Burmese territorial waters.

The Burmese delegation said the visit had been "very successful" and Burma was determined to strengthen ties and promote border cooperation.

Khun Sa Nephew Heavily Guarded at Court Hearing

BK2211080695 Bangkok THAILAND TIMES in English 22 Nov 95 p A 1

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — A nephew of world-renowned drug lord Khun Sa who has been arrested on narcotics charges was heavily guarded at the Criminal Court yesterday following a rumor that Khun Sa's men might snatch him and other suspects during a court hearing.

Ying Chi Fa alias Chali Yangwirikun in Thai was tightly shackled and under tight supervision by Correction Department officials.

Security at the court was also beefed up. Even motorcycles were forbidden from entering the court's premises and all people who were entering and leaving the building were thoroughly checked to prevent any untoward incident.

However, the Court yesterday decided to postpone hearing of the case until late December. The suspect was accompanied by his lawyer and two children.

Khun Sa, one of the world's leading drug producers, was rumored to have hired and paid strong men some seven million baht to snatch the suspects since the primary suspect is a dominant figure in Khun Sa's Mong Tai Army.

Ying Chi Fa, 48, was arrested together with ten other fellows last October by the US Drug Enforcement Agency and Thai anti- narcotics police in the North. The United States has demanded for Thailand to extradite all of the suspects to face prosecution in the US.

Pol Col [Police Colonel] Ariya Phanthuphuk, a police investigator who is also a state witness from the Office of Narcotics Control Board, told the court that the domicile registration of the suspect was found by investigators to be false.

Police investigators have examined every place where the suspect used to stay, and they concluded that they found no evidence to prove that the suspect is a Thai citizen as claimed by Ying Chi Fa.

The suspect claimed that he used to live in several places such as in Chiang Mai, the latest of which was at 16/225 Lat Yao, Chatuchak area in Bangkok.

In his first testimony in January, the suspect said that he is a Thai citizen with a Thai name and domicile registration. He also asked the court not to extradite him to the US.

"Nobody in my house knows Ying Chi Fa," said Ariya who quoted Sommai Suwanprathet, the owner of the house in Chiang Mai, the address of which is at 5 Ratchamangkhala road, Thaksin sub-district.

After Ariya's long testimony, the Court decided to postpone hearing of the case to December 21.

Meanwhile, a source from the National Security Council (NSC) said the NSC yesterday has informed Police chief Phot Bunyachinda about Khun Sa's moves to keep the police well-prepared of any unfavorable situation.

The NSC implied that Khun Sa might seize a Thai athlete as a hostage during the upcoming SEA (Southeast Asian) games in Chiang Mai. The hostage will serve as Khun Sa's bargaining chip that would prevent the extradition of Ying Chi Fa to the US.

Rumor of Shan Leader's Defection Quashed

BK1211110095 Bangkok THE SUNDAY NATION in English 12 Nov 95 p A3

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] A Shan nationalist leader being groomed to succeed opium warlord Khun Sa returned to his base in southern Shan State late last month, quashing widespread rumours that he had defected.

Zao Gunjade, president of the Shan State Restoration Council and Khun Sa's trusted right-hand man, returned to Homong on Oct 27 after a three-month journey to the western part of the Salween River, council secretary-general Zao Khwanmong said in a statement.

Khwanmong is the secretary-general of the Shan State Restoration Council's 11-member central executive committee appointed on Aug 12 to oversee political and military affairs.

Earlier reports said Gunjade, a respected Shan leader, had defected to the Shan State National Army, a group of about 2500 young rebels led by Maj Karnyord which broke away from Khun Sa's Muang Tai Army (MTA) in early June. Gunjade had travelled to negotiate with the breakaway group in an attempt to reunite the two Shan military movements.

The MTA is the military wing of the Shan State Restoration Council (SSRC).

Karnyord, deputy commander of the MTA's 16th Brigade, cited discrimination in the MTA between the Shan and ethnic components and the poor international image of Khun Sa as the causes that led to the defection.

Karnyord is said to have reached a ceasefire agreement with the ruling Burmese junta, the State Law and Order Restoration Council (Slorc), shortly after his mutiny.

Slorc claims Khun Sa is an ethnic Chinese who is heavily involved in drug trafficking, not a Shan nationalist fighting for the independence of the Shan State as he claims. The U.S. Government has also indicted Khun Sa on 10 separate drug counts and wants him to stand trial in a U.S. court.

Several informed sources said they believed Khun Sa would soon appoint Gunjade as his successor, fulfilling a pledge he had made after Karnyord's defection.

Khun Sa announced in August, during Gunjade's absence that he would step down from all powerful posts in the MTA, and the hand- over ceremony could take place some time this month the sources said.

Slorc has announced its intention to wipe out the MTA and capture its headquarters at Homong. Homong is located deep in mountainous terrain opposite Thailand's Mae Hong Son province.

The statement released by a Shan information service said Gunjade had a 10-day rest after his long trek back. His only comment about his mission was, "You'll be hearing some news soon." When asked whether it would be good or bad news, he said, "Let's hope for the best and prepare for the worst."

The statement said Khun Sa emerged as the "dominant leader" when three Shan guerrilla movements merged to form the MTA in 1985 — Khun Sa's Shan United Army, which had strong leadership but poor management; the Shan State Army, which had poor leadership but good management; and the late Kornzerng's Shan United Revolutionary Army.

Chawalit Said Ready To Replace Prime Minister

BK1311151495 Bangkok LAK THAI in Thai 8-14 Nov 95 pp 26, 27

[Unattributed article: "Banhan's Dimming Fate; 'Big Chiu' To Replace Prime Minister"]

[FBIS Translated Text] Surprisingly, after ruling the country for just three months, Prime Minister Banhan Sinlapa-acha has created an atmosphere of boredom. Compared with the three months of former Prime Minister Chuan Likphai's government, the present government has done nothing to win the hearts of the people.

The major cause of the people's unhappiness with the government, or with Prime Minister Banhan Sinlapa-acha himself, that has hatched in a short period of three months, is disappointment with the individual members of Banhan's dream team cabinet.

Newin Chitchop, a member of the so-called Group 16 or the Thoet Thai faction, who has been accused of using 11 million baht to buy votes during the general election in Buriram Province, was appointed deputy finance minister, a position extremely vital to the country's prestige. Anyone who occupied this position in the past had to have a "good image" and clean record that was acceptable to the people.

In addition to Newin Chitchop, Banhan also appointed other members of the faction to serve in his cabinet who do not have very good reputations in the eyes of the people. They are Deputy Interior Minister Suchat Tancharoen and Deputy Commerce Minister Phairot Suwannachawi.

The people can accept ministers appointed by other coalition parties. The Chat Thai Party seems to be the only party that has been heavily criticized over the appointment of its ministers. Banhan could not play any significant role at all in the nomination of the seven ministers from the Thoet Thai faction. Faction leader Narong Wongwan simply handed him the list without asking for his approval. Although he well knows that they are unqualified, he had to give them the portfolios to keep the promise he had made earlier to the Thoet Thai faction.

Meanwhile, Banhan himself desired the premiership very much. As prime minister, the number-one man in the country, Banhan's responsibilities are huge, and he must perform many duties in running the country. Ironically, he concurrently serves as interior minister.

In addition to these two positions, Banhan is also acting as the "shadow minister" of the Finance Ministry. Everyone knows that Finance Minister Surakiat Sathianthai is a boy under his control. Surakiat specialized in image creation. He was the one who helped create a world-renowned image for Banhan.

Backed by Banhan, Surakiat was appointed finance minister, a position crucial to the country's economy and future. Banhan is aware of the fact that, since he can control Surakiat, the Finance Ministry is also totally under his control. On the other hand, Surakiat is not given a free hand to do his duties. The stock market problem remains unsolved, while implementation of the country's monetary and financial policies goes nowhere.

In other words, Banhan is now concurrently serving in three positions. He has already failed the test as a good prime minister. Keeping more positions under his control means more problems for his own government.

This explains why the people are so quickly fed up with the government, after only three months in office.

Banhan Sinlapa-acha's popularity is declining, as indicated by many public opinion surveys, such as the "Suan Dusit Poll." The people in Bangkok and nearby provinces voted overwhelmingly for a quick cabinet reshuffle.

Banhan's reputation is rotting. A new leader must be sought. He cannot match former Prime Minister Chuan Likphai in all respects. Although Chuan was rather slow, his team did a much better job. The chance for Chuan Likphai to return to power and form a new government, however, is very slim as long as Bun-ua Prasoetsuwan still serves as house speaker. Since the house speaker has the power to propose the name of a new prime minister for royal endorsement, the Democrat and other opposition parties have no hope to become the government.

Prime Minister Banhan may resign if he can no longer tolerate the pressures from various sides. His resignation would not imply that the Democrat Party, the party that won the second most number of seats in the House during the last general election, would be allowed to form a new government. Banhan will never let that happen.

If Banhan must go, it is planned that the seven coalition parties must remain and stick together under a new government leader.

The most qualified person for the premiership at this moment is no one other than General Chawalit Yongchaiyut, defense minister and leader of the New Aspiration Party. Following his interference in the recent military reshuffle, Gen. Chawalit has already built up his power base in the three armed forces. It is believed that this power base will be further strengthened when he manages to put his men in important positions during the reshuffle of generals scheduled to take place in April next year.

The seven coalition parties are well aware of the trend. They know that Banhan possesses no charisma to be their leader. They are preparing themselves to welcome Gen. Chawalit Yongchaiyut as their new leader, a brightly shining star.

Daily Cites Obstacles for Political Reform Plan

BK1311052195 Bangkok BANGKOK POST in English 13 Nov 95 p 4

[Editorial: "Self Interest Again Threatening Reform"]

[FBIS Transcribed Text] Representatives of the Confederation for Democracy and other prodemocracy groups who resigned en masse on Saturday from the Government-appointed Political Reform Committee and subcommittees clearly realised their tireless efforts to press for political reform over the past three months have failed. To stay on would have been pointless. Their assignment to draw up a blueprint for political reform has been almost accomplished. The blueprint with a recommendation for the setting up of a 67-member panel to write a new Constitution is tentatively expected to be ready for Cabinet consideration this week.

The Confederation for Democracy (CFD) and other prodemocracy groups which joined the Government with the hope their aspirations for political reform would be realised have finally waken up to political reality that only self-serving interests count in the world of politics. And there is little room for sincerity to play a role if sincerity means the sacrifice of self-serving interests on the part of politicians.

It is not surprising the Government has shown no enthusiasm towards the Political Reform Committee's proposed blueprint, even though it includes unprecedented measures and mechanisms to ensure free and fair elections and the making of MPs, senators, ministers and other elected representatives more responsive and accountable to the electorate.

Many MPs in the Government and the Opposition camp who bought their way into Parliament may feel offended by any measure aimed to eradicate vote buying through strict examination of election spending by individual candidates. They would feel even more threatened if the people who voted them into office were given the right to remove them if they did not live up to their mandates.

In anticipation of stiff opposition from the rank and file in the coalition parties, Prime Minister Banhan Sinlapaacha appears to have forgotten his pre-election pledge that he would strive for political reform. Instead of letting the Government take the initiative by submitting a bill for constitutional amendments to Parliament, he is more inclined to gauge opinions from coalition parties and let them take the initiative. That way he and his government will not bear the blame if the attempt at political reform is scuttled in Parliament.

Such a tactic, if actually employed, will once again demonstrate a lack of leadership and sincerity on the part of Prime Minister Banhan. It would further paint him in a negative light — as a premier more concerned with the welling being of his own administration than with doing a service to his country by pushing for political reform, irrespective of whether such an attempt might fail to pass Parliament.

Nor are the Opposition, especially the Democrats, genuinely sincere over political reform. The Democrats have boycotted the Political Reform Committee and have made clear they want reform to be attained step-by-step through amendments of some articles in the Constitution, especially one dealing with the selection of senators. They are against rewriting the whole Constitution as envisaged by the Political Reform Committee.

The Democrats' position towards political reform is self- contradictory and beyond comprehension. On the one hand, they pledged support for reform; on the other, they rejected blanket reform. The only logical explanation is that they are just as insincere as the Government and appear to be more concerned with playing political games.

With a sizable number of senators set to leave the upper house and the prospect of more democratic-minded successors likely to be appointed to replace them, the chance is open for reform to usher in a new political environment. Unfortunately, neither the Government nor the Opposition seems willing to grasp this opportunity. It is hard not to reach the conclusion that the only thing over which these politicians are concerned is their own narrow-minded interests and the political gains that can be made out of this political ball game.

Daily Claims Coalition About To Disintegrate

BK2211012195 Bangkok MATICHON in Thai 19 Nov 95 p 3

[News Analysis: "The End of 'Banhan'; 'Thaksin' To Withdraw; 'Chiu' Is Simply Waiting"]

[FBIS Translated Text] The recent suicide attempt by Wiwat Sisammachip, a retail stock investor, at the head office of the Stock Exchange of Thailand [SET] was aimed at drawing assistance from the government for the gamblers who operate under the guise of petty stock investors.

The incident has created tremendous pressure for the government, especially on Finance Minister Surakiat Sathianthai. As a result, officials from the agencies concerned, such as governor of the Bank of Thailand, secretary general of the Securities and Exchange Commission, SET President Seri Chintanaseri, and president of the Association of Securities Companies were summoned for an urgent consultative meeting that lasted nearly five hours.

At the meeting it was agreed to have the Bank of Thailand and government-owned Saving Bank inject 30 billion baht through Krungthai Bank into the capital market for finance and securities companies or brokers to provide loans with a compromising interest rate of 10 percent for their clients.

Ten billion baht of this special fund will be used to refinance the debts incurred by the stock market gamblers while the remaining 20 billion baht is set aside for them to buy new stocks.

The said measure, claimed to be the way to increase the market liquidity, was not welcomed by stock gamblers who have long asked the government to do away with the maintenance margin system.

Worse still, it has drawn strong criticisms from technocrats, university professors, and intellectuals who believe that the rescue measure will siphon the people's tax money to help only a handful of the rich who enter the stock market to gamble while there are still a huge number of poor people in the country who are more deserving of such assistance from the government.

This huge amount of money should be spent for the benefit of the majority of the people.

They also believe that the measure will not help to rejuvenate the stock market because there are three major causes of the slumbering stock trade:

First, foreign investors have withdrawn their money from Asian countries to invest in the New York market where they can expect a high turnover rate.

Second, the high rates of current account deficit and inflation have scared away foreign investors from the Thai stock market and led to the speculation of the devaluation of the baht currency as happened to Mexico's peso currency.

Third, the image of the government of Prime Minister Banhan Sinlapa-acha is not trustworthy.

Those are the real causes of the lack of confidence in the Thai stock market. Foreign investors do not believe that the government will be able to solve the problems of current account deficit and high inflation rate.

Suffice it to say that the measure employed by Surakiat Sathianthai hits the wrong target and can totally destroy the country's capital market because it indirectly turns the stock market into a big gambling den.

The stock trade index continued plummeting for four consecutive months with 600 billion baht loss of stock value.

The call from all circles for the government to reshuffle its cabinet has become more assertive, demanding the ouster of Finance Minister Surakiat Sathianthai and Deputy Finance Minister Newin Chitchop.

Politicians under the banner of Phalang Tham Party seemed to be the first group who pressed for a cabinet reshuffle.

Thawin Phaison, deputy leader of the Phalang Tham Party, frankly said that Surakiat should be replaced by Amnuai Wirawan, deputy prime minister and leader of the Nam Thai Party.

The pressure exerted by Phalang Tham Party on Prime Minister Banhan Sinlapa-acha to reshuffle his cabinet is consistent. Police Lieutenant Colonel Thaksin Chinnawat, leader of the party, publicly made such a demand.

Meanwhile, leaders of other parties in the coalition government such as Police Captain Chaloem Yubamrung, leader of Muanchon Party, think that Phalang Tham Party is doing this for its own survival as many polls show the steep decline in the government's popularity.

Leaders of the seven coalition parties have been harboring mutual suspicion and engaging in acute rivalry for ministerial posts. Police Lieutenant Colonel Thaksin and other ministers from the Phalang Tham Party have been accused of attempting to outshine the other parties in the coalition.

The severe conflict between Phalang Tham and the other coalition parties broke out when the construction project for the Bang Phun - Bang Sai expressway worth 2.2 billion baht under the supervision of Sudarat Keyurapha , secretary general of Phalang Tham Party, was brought up for discussion in a cabinet meeting.

The project was heavily grilled by Bunchu Trithong, minister from the Thoet Thai faction, Newin Chitchop, and Chaloem Yubamrung because the construction contract was granted to Bangkok Expressway Company without going through the normal bidding procedure.

Pol Lt Col Thaksin holds 16 million shares in the said company!

Prior to the cabinet meeting, Deputy Communications Minister Somsak Thepsuthin reportedly banged the table in a heated argument with Pol Lt Col Thaksin Chinnawat.

The dispute gains momentum as Phalang Tham Party is striving to defend its popularity in Bangkok in preparation for the Bangkok governor election scheduled to take place in July 1996.

It is likely that Phalang Tham Party will withdraw from the coalition, if the prime minister fails to reshuffle the cabinet to improve the image of his government after the passage of 1996 budget bill or the new year as he promised earlier.

The reason is that if Phalang Tham Party continues to remain with the coalition, the risk of losing the Bangkok gubernatorial election is quite high, which can even lead to the disintegration of the party and the end of Pol Lt Col Thaksin's political future.

Amid controversies, General Chawalit Yongchaiyut, leader of the News Aspiration Party, who many people believe can become the next prime minister, keeps a low profile, doing his normal duties to gain more public confidence.

He is the one who pushes the prime minister's back to confront all kinds of problems alone. As a former construction contractor, Prime Minister Banhan prefers to do all the work himself. Therefore, he has become the target of criticisms.

Gen Chawalit is aware of the fact that the longer he clings to the Chat Thai-led coalition government, the more he will lose.

As the government confronts crises from all sides and with the risk of Phalang Tham leaving the coalition, General Chawalit might also withdraw his party from the government and exploit the situation to rival for the premiership.

Gen Chawalit's plan will not succeed if Banhan decides to dissolve the parliament. However, by so doing, Banhan, a small gentleman from Suphan Buri Province, will also bring an end to his own political career.

Cabinet Conflict Deepens Over Expressway

BK2211053195 Bangkok BANGKOK POST in English 22 Nov 95 pp 1, 6

[Unattributed report]

[FBIS Transcribed Text] The Phalang Tham Party's [PTP] proposal to allow the Bangkok Expressway Co [BECL] to undertake the 2nd stage expressway extension without a bidding contest was shot down in flames by the Cabinet yesterday.

The Cabinet rejected the PTP's proposal because party leader Thaksin Chinnawat and his family own shares in BECL worth 1.5 million baht.

The conflict appears to have cut deeply into the coalition Government which is already trying to correct its sagging image.

The decision yesterday to call a new bid for the 34-km elevated road section was reached after key Thoet Thai members of Chat Thai Party and Muan Chon leader Chaloem Yubamrung shot down Mr. Thaksin's proposal.

Pol Capt [Police Captain] Chaloem labelled the proposal as "short of transparent" because of PTP leader Thaksin Chinnawat's stake in BECL which was sure to bring the Government more unwanted criticism.

The allegation prompted a strong protest by Mr. Thaksin who was quoted by sources as saying he felt he was being "censured" in yesterday's Cabinet sitting.

Mr. Thaksin's frustration clearly showed yesterday, when he told reporters after the meeting he was holding on to his patience, and he would stay with the coalition as long as his patience lasted.

The PTP leader made the statement after reporters tried to find out if his decision not to attend today's meeting of coalition leaders is related to criticism by some cabinet members levelled at his repeated calls for a Cabinet reshuffle and the BECL proposal.

The Cabinet sources said those who grilled Mr. Thaksin over the proposal forwarded by Deputy Interior Minister Sudarat Keyuraphan included Justice Minister Chaloem, University Affairs Minister Bunchu Trithong and Deputy Finance Minister Newin Chitchop.

Deputy Prime Minister Amnuai Wirawan and Agriculture and Cooperatives Minister Montri Phongphanit also joined in the verbal attack.

The sources said the ministers reasoned that the proposal to allow BECL to undertake the 20-billion-baht extension work of the second stage expressway from Chaeng Watthana to Bang Sai would only invite criticism.

The practice could be viewed as not being transparent, the sources said, noting that it could worsen the Government's sagging image and provide the Opposition with ammunition to launch a no- confidence debate against the Banhan administration.

Mr. Bunchu and Pol Capt Chaloem then pointed at Mr. Thaksin's and his wife's stake in BECL.

The PTP leader could be accused of standing directly to gain from any attempt by the Government to grant the contract to BECL without a bidding contest.

The sources said Pol Capt Chaloem distributed copies of a document showing details of the shares held by Mr. Thaksin's family and his wife's relatives to members of the Cabinet.

The document, a copy of which was also obtained by the BANGKOK POST, showed Mr. Thaksin had two million shares in BECL. His wife, Photchaman, also held 8.38 million shares in the company.

SC Assets, a company under Mr. Thaksin's Chinnawat Computer and Communications Group held 28.9 million shares. Another 27 million shares were also held by Mrs Photchaman's relatives, according to the document.

Mr. Bunchu pointed out that Mr. Thaksin had stated publicly he only had 16 million shares in BECL but the documents provided by Pol Capt Chaloem showed the PTP leader and his family and his relatives held 39 million shares in the firm, amounting to 1.5 million baht in value.

Mr. Bunchu pointed this out to reporters during an interview after the meeting.

The sources said Mr. Thaksin then rose to defend himself against the allegation, saying he had obtained the shares in good faith long ago and had never thought of using his influence in the Government for his benefit in BECL.

His holding in BECL was considered to be very small when compared to his combined wealth elsewhere, he said.

"The amount of shares will not get me any richer," Mr. Thaksin reportedly said.

The Deputy Premier, who had publicly declared he had combined assets worth more than 60,000 million baht, told reporters the value of the shares he had in BECL was worth less than half a per cent of his combined wealth.

Mr. Amnuai and Mr. Montri then stepped in to suggest that the Cabinet adopt a joint resolution to call a new bidding contest for the project to prevent the Government's tarnished image from further plunging to an all time new low.

Pol Capt Chaloem and Mr. Newin further explained that the PTP's proposal for BECL to undertake the project without a bidding contest had been concluded in haste by the Expressway and Rapid Transit Authority [ETA] of Thailand, which oversees the project.

The ETA suggestion to Mrs. Sudarat to award the contract to BECL without a bidding contest despite the recommendation of the Council of State for a general bidding indicated an ulterior motive.

Mr. Newin then demanded Mrs. Sudarat explain if she was directing her recent remarks on television at him, when she said there had been an attempt by some people to smear the PTP over its expressway project proposal.

Mrs. Sudarat, however, denied that she had directed her accusation at Mr. Newin.

The Prime Minister and several other ministers finally stepped in and called for a new general bidding contest on the project to ensure transparency.

"I feel this meeting was called to censure me although I am trying to get this project moving with honesty. I am rich enough," Mr. Thaksin was' quoted as saying.

The PTP leader told reporters he had acquired shares in BECL because of calls by the previous Government for businessmen to help buy up shares in the firm following a conflict between one of its major share holders and ETA over the revenue sharing agreement.

Mr. Thaksin had a lot of cash at hand and had tried to invest to help break the deadlock which resulted in the delay in the opening of the second stage expressway system to ease the traffic congestion.

Banhan Orders Curb on Army Radio's Talk Shows

BK2211053695 Bangkok THE NATION in English 22 Nov 95 pp A1, A3

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha has asked Defence Minister Chawalit Yongchaiyut to tone down the contents of some programmes aired on army-owned radio stations which are considered "too critical" of the government, sources said yesterday.

The sources quoted Banhan as saying at yesterday's Cabinet meeting that the government had been subjected to harsh criticism during some call-in political commentary programmes, several of which were broadcast on army radio stations.

"It doesn't seem fair to subject the government to overly critical comments without even giving it a chance to defend itself," the prime minister said.

Banhan then asked Gen [General] Chawalit to see to it that army-controlled radio stations "at least give the government fair treatment" in their programming.

The majority of the air time of army-owned radio stations has been leased to private companies and individual producers of radio programmes. Radio journalists enjoy almost as much as freedom of expression as their counterparts in the print media.

Chawalit promised to look into cases of "anti-government" programmes on army-owned radio stations but was noncommittal as to what he would do for fear of being accused of restricting freedom of expression, the sources said.

Speaking to reporters after the Cabinet meeting, Banhan denied that his government was trying to impose measures to restrict freedom of the press.

"No one in the government has ever interfered with the work of journalists in any way since the government came to power more than three months ago," he said.

The sources also quoted Justice Minister Chaloem Yubamrung as describing call-in political commentary radio programmes as a "dangerous trend" in that they allow listeners to voice their comments unedited.

"Last week, listening to the army-owned radio station FM 101, I heard a supposed call-in listener urging the Ammy to stage a coup to overthrow the current government," Chaloem said.

"This kind of provocative comment carried over the airwaves constitutes an inappropriate and illegal act."

Other Cabinet members said they suspected some moderators of the call-in commentary programmes of arranging for people who share their views on particular issues to express their "opinion", which is considered unethical conduct journalistically.

Official Affirms Narcotics Suppression Policy

BK1511100795 Bangkok Radio Thailand Network in Thai 0530 GMT 15 Nov 95

["Article" by Wirachai Kaoephan of the Public Relations Department's management improvement group: "Narcotic Suppression—A Very Important Government Policy"]

[FBIS Translated Text] Listeners, the Thai Development Research Institute estimated on 31 December 1993 that Thailand had at least 1,267,590 drug addicts. I will leave it up to listeners to ponder whether this number has increased or decreased since then. There are five types of narcotics in widespread use among Thai addicts: opium, heroin, marijuana, inhalants, and amphetamines. Amphetamines are now posing a grave danger to Thai society.

The government regards the suppression of drug traffickers as a very important policy because narcotics pose a grave danger to Thai lives, the national economy, and society. The government has a clear policy and engages in earnest efforts to prevent and suppress all types of narcotics, both at home and through cooperation with other foreign governments. Thailand's devoted narcotics suppression efforts have yielded tangible results and contributed to reduction of narcotics problems in other countries, including the United States. This has been acknowledged by the international community.

Listeners, Thailand has a modern law system, and its enforcement is effective and meets standards. This has been accepted by other countries for centuries. Therefore, one can be certain that narcotics suppression and prevention under Thai law is efficient, independent, and honorable to the country.

In any event, facts have shown that Thailand is not a narcotics production source or a consumer market. Out of responsibility to the world, the Thai Government has had to shoulder a heavy burden to devote its resources to effectively interdict, suppress, and discourage the transit of narcotics to countries that are major markets.

Listeners, narcotics are a problem that every country faces and a common menace to the world. The world will have to find measures to tackle it for a very long time. Therefore, all countries, particularly the superpowers, should sincerely cooperate with the Thai Government. Narcotics should not become a major issue used to politically and commercially exploit other countries, because this could affect the real common objective of all countries to solve the narcotics problem over the long term.

Official Discusses Money-Laundering Bill

BK2211035295 Bangkok THAILAND TIMES in English 22 Nov 95 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok: An anti-money laundering bill will cover oil smuggling and international prostitution, not only drug dealings, Chaiyot Hemaratchat, chairman of House Committee on anti-money laundering bill, said yesterday.

Chaiyot said at a seminar entitled "Anti-money laundering bill and Banhan government" held at Reporters' Association of Thailand that Thailand is the target of many other countries to use as a passageway of their drug trade and money laundering since Thailand is part of the Golden Triangle, notoriously known as the main drug producing and distribution area, where borders of Burma, Laos, and Thailand meet.

He said Thailand should have the anti-money laundering bill in order to tackle illegal money which is put through financial institutes to conceal the source of the money.

The chairman added that according to surveys in different financial institutions, the illegal money of at least one million baht is sufficient for action against the launderer.

Wiraphong Bunyophat, instructor of Chulalongkon University's Law Faculty, said each financial institutions should have better measures to establish whether its clients get their money legally or not, as the proposed bill still has several points to be amended.

Penwan Thongdithae, Bank of Thailand's representative, said financial institutions should disclose their customers' names so the government will be able to easily inspect the source of their money. Violators will be fined 300,000 baht.

Permanent Secretary to the Finance Ministry M.R. [Mon Ratchawong — royal title] Chatumongkhon Sonakun expressed his view over the bill, saying the proposed bill has no problem because it is similar to those of other countries.

The vital issue to be considered should be the advantages and disadvantages of the bill after its enforcement. It should be considered whether it will affect the country's economy or not, according to Chatumongkhon.

He further said Thailand must learn from the foreign countries's anti-money laundering laws whether those countries have put the law into real practice or not. Some countries have never enforced the law because they are afraid that the law when putting into practice would raise negative effects to their countries' economies.

Thailand has to learn from the countries which are the world's financial centers to see whether their anti-money laundering laws support or hamper them from being financial centers, he said.

Residency Status Considered for Investors

BK1611131595 Bangkok BUSINESS DAY in English 16 Nov 95 p 3

[Report by Wisut Phothong]

[FBIS Transcribed Text] In an effort to make Thailand more attractive to foreign investors, the Board of Investment [BoI] decided yesterday to ask the Cabinet to empower the defunct green card committee to issue more of the documents.

Since its establishment in 1983 the committee has issued 377 green cards. Most of the recipients have been wealthy foreign entrepreneurs committed to high levels of inward investment. However, the panel's status is only temporary due to national security considerations.

Yesterday's BoI meeting chaired by Prime Minister Banhan Sinlapa- acha identified four groups who should be allowed to apply for green cards and benefit from their enhanced residency status.

The largest group are expected to be indirect investors buying at least 10 million baht's worth of government bonds. This criterion compares with just 4 million baht in Canada, 12 million baht in the US, 13 million baht in Australia and 17 million baht in Singapore.

The second group will consist of direct investors holding at least a 25 percent stake in an approved project. Also eligible will be experts in specialist fields in which Thailand suffers a manpower shortage.

Thai citizens resident abroad who wish to repatriate themselves will form another category.

The issue was included on the meeting's agenda after the green card committee was swamped with applications from September 3 onwards when rumors the panel was to be disbanded began circulating.

But the committee had in fact become dormant.

The Cabinet will be asked to extend the committee's term by three years with members from the Foreign, Industry, Labor and Social Welfare, and Science and Technology ministries, the Immigration Department and the BoI.

After the meeting, BoI Secretary General Sathaphon Kawitanon said he did not expect early progress on the foreign business community's request that the Immigration Department issue multiple re-entry visas. Other countries, like Japan also had strict visa requirements, he said.

Cabinet Briefed on Need To Boost Stock Market

BK2211081195 Bangkok THAILAND TIMES in English 22 Nov 95 p B1

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — The Bank of Thailand (BOT), the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET) informed the Cabinet yesterday of the necessity of boosting liquidity on the local stock market.

After reporting to the Cabinet, BOT Governor Wichit Suphinit said liquidity on the stock market and the crisis on the market may be resolved after the Securities Finance Corporation (SFC) is launched by the middle of 1996, in order to increase confidence among foreign investors.

He said that the money the government will use to boost the stock market is only one percent of the total market value.

Occasionally, he said, the government has to spend money to stabilize the stock market and the financial system.

"It is necessary for the BOT to involve itself in the crisis of the stock market which has no source of funds such as other financial institutions and commercial banks. The measure to support the bourse will not have an affect on the financial and economic systems," said.

The measure, he said, is believed to better the sentiment in the stock market after six months after the fund is set up.

SET President Seri Chintanaseri said that political events are also a factor which makes the stock market bearish.

He said that foreign investors have to consider factors such as the economy, the political situation and the profitability of the stock market before they venture into a country's bourse.

"The measure to support the stock market is not aimed to keep my position as my term will be end in the next seven months. I will not renew my term," Seri said.

The SET president said that the maintenance margin system partially causes a downturn in the stock exchange, but there are other factors which lower the SET index .

The Cabinet also agreed that the maintenance margin is necessary to the stock market.

SEC Secretary-General Ekamon Khiriwat said that the liquidity on the stock market is believed to have increased again because of investment in local mutual funds, pension funds and provident funds.

SEC feels that as the stock market can mobilize capital and stabilize the country's economy, the close watch on the situation is necessary, he said.

As the Association of Investment Management Companies (AIMC) was criticized that they are not helping to shore up the stock market, and that they not follow the government's target to invest for a long period, Daiyana Bunnak who is the president of AIMC said that mutual funds hold securities at an average of more than one per year.

In the first 10 months of the year; she said mutual funds bought shares worth a total of 120,799 million baht, and sold off shares worth 118,295 million baht. The net asset value of the mutual funds is about 170,884 million baht.

"From January 1 to November 20 of this year, mutual funds could mobilize capital of 22,981 million baht, and pay about 9,725 million baht as dividends to unit trust holders on October 31. The mutual funds hold only about 5 percent of the total market value or 6,700 million baht," he said.

Banhan Supports Stock Market Intervention

BK2211055495 Bangkok THE NATION in English 22 Nov 95 pp A1, A3

[Report by Surachai Chuphaka, Siriphon Chanchindamani]

[FBIS Transcribed Text] Finance Minister Dr. Surakiat Sathianthai set the stage yesterday for the Bank of Thailand, the Securities and Exchange Commission [SEC] and the Stock Exchange of Thailand [SET] to reconfirm their positive intent by interfering in the stock market with a Bt30 billion rescue fund.

Showing up at Government House, with Surakiat absent, were the central banker Wichit Suphinit, SEC secretary-general Ekkamon Khiriwat and SET President Seri Chintanaseri, who jointly stressed that they were moving in the right direction as far as the stock exchange was concerned.

Prime Minister Banhan Sinlapa-acha also backed up the measure by saying that in times of crisis, such interference was necessary.

"The agencies believe they have done the right thing and we need to believe them. However, if the market sentiment does not improve, the government has to be responsible for that," noted Banhan, who said he himself had organized the press conference. He said the Finance Ministry should clarify its market-supporting measures.

The press conference, however, did not have any real effect on the exchange market. The Stock Exchange of Thailand price index yesterday rose 12.70 points to 1206.13 points on a turnover of Bt4.15 billion.

This was mainly due to reports that mutual funds were buying up stocks at the government's request and on a rumour Newin Chitchop might not be able to hold on to his deputy finance minister position.

At the press conference, Wichit told reporters that the market needed the interference because further price drops might disturb the capital and money markets.

He forecast that next year the Thai market would brighten up as the US interest rates tend to rise prior to a presidential election. The higher rate would drive away investment from the New York market which recently hit a new high.

Wichit added that the fund was initially intended to help inject liquidity into the market within the next three to six months under the Securities Finance Corp (SFC) — but the present situation prompted the central bank to implement the plan now.

"I've been involved in many bad experiences during 30 years working here. But I guarantee that this measure would not put any pressure on inflation," he said.

Support for the fund was necessary, Ekkamon said, and foreign investors might further sell their shares if there was less liquidity in the market.

Seri said that though he was not happy over the interference, he believed that it would benefit all parties. "I've done my best," he said.

Apart from the Bt30 billion fund, the Finance Ministry would also speed up the issuance of new mutual fund management licences. The increase in such companies was expected to inject more liquidity into the market.

The Bt30 billion fund has been split into two branches: Bt10 billion for old margin loan accounts and Bt20 billion for new accounts with an interest rate of 10 per cent.

Krung Thai Bank yesterday finally yielded to brokers' requests that loan guarantees were unnecessary for pure securities companies to join in the rescue programme. But it was still uncertain whether securities companies can use promissory notes pledged with the Bank of Thailand as a guarantee against the fund.

However, according to Prathip Yongwanit, managing director of Asia Securities Trading Plc and a director of the Association of Securities Companies: "The outlook is positive."

Vietnam

German Chancellor Helmut Kohl Pays Visit

Meets With President Le Duc Anh

BK1711150195 Hanoi VNA in English
1439 GMT 17 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 17 — President Le Duc Anh received here today German Chancellor Helmut Kohl, who arrived here yesterday for an official visit.

Speaking on this occasion, Chancellor Helmut Kohl expressed his satisfaction at his talks with Prime Minister Vo Van Kiet and at his meetings with concerned ministries and offices of Vietnam. He also expressed his pleasure at the achievements recorded by the Vietnamese people in the renovation process and said: 'Germany is prepared to cooperate with Vietnam in the economic, scientific and technical areas as well as in environment and culture for the interests of the Vietnamese and German peoples'.

After briefing the guest of Vietnam's socio-economic development in the renewal process, President Le Duc Anh said he believed that the current visit by Chancellor H. Kohl would strengthen the friendship and cooperation between the two countriesin the interests of the people in each country and for the sake of peace, stability and development in the region.

Meets With Assembly Chairman

BK1711131895 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 17 Nov 95

[FBIS Translated Text] This morning, on the second day of his visit, German Chancellor Dr. Helmut Kohl and the members of his delegation laid a floral wreath at the monument for heroes and war martyrs in Bac Son.

Also in the morning, National Assembly Chairman Nong Duc Manh received Chancellor Helmut Kohl at the Presidential Palace. Chancellor Helmut Kohl expressed his delight at this opportunity to visit Vietnam and at the solemn reception he has received. National Assembly Chairman Nong Duc Manh welcomed German Chancellor Helmut Kohl and his entourage, who bring fine sentiments along with them, and said he considers the visit an important milestone in the friendly relations between the two countries. National Assembly Chairman Nong Duc Manh informed his guests of some of Vietnam's achievements in its renovation undertaking, including the significant contributions of the National Assembly. Chancellor Helmut Kohl and National Assembly Chairman Nong Duc Manh affirmed their determination to continue to consolidate the cooperative and friendly relations between the two states and parliaments in the period to come. They believe this will contribute to the national construction undertaking of each country.

Chancellor Helmut Kohl then paid a visit to the Polytechnic University. A large number of the teaching staff and students from various faculties were on hand to welcome the chancellor.

Also in the morning, members of the delegation from the Federal Republic of Germany conducted meetings with various Vietnamese officials. The opening session of the

German-Vietnam Dialogue Forum was conducted under the co-chairmanship of German Economics Minister Guenter Rexrodt and Mr. Do Quoc Sam, Vietnamese minister for planning and investment. Mr. Dang Van Than, director general of the Posts and Telegraph General Department, received His Excellency Wolfgang Boetsch, minister for posts and telecommunications.

Departs Hanoi for Ho Chi Minh City

BK1711153595 Hanoi VNA in English
1446 GMT 17 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 17 — Chancellor Helmut Kohl and his entourage left Hanoi this evening for Ho Chi Minh City. He was seen off by Prime Minister Vo Van Kiet and other senior officials of Vietnam.

Before his departure, Chancellor Helmut Kohl held a press conference at which he said his visit was aimed at boosting the bilateral political and economic cooperation between Germany and Vietnam and creating an opportunity to further the relations between the two countries.

He stressed that his country and Vietnam had agreed to take the joint statement signed between the two countries in January 1995 as the basis to promote their bilateral ties. He added that to the end, more than 20 contracts were signed in Hanoi today.

He made known that Germany will increase its annual development aid to Vietnam from 100 million DM [German marks] to 150 million DM, stressing: 'Vietnam plays an important role in the Asia policy of Germany and Vietnam is also its partner'.

In the morning, the German guests paid a floral tribute to the Hanoi Martyrs' Monument and called at the University of Technology.

Holds News Conference 18 Nov

BK2011014995 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 18 Nov 95

[Report by Diep Anh]

[FBIS Translated Text] Dear friends: This afternoon, prior to leaving Hanoi for Ho Chi Minh City, German Chancellor Helmut Kohl held [illegible] international news conference to publicize the results of his working visit to Hanoi.

The news conference was attended by a large number of reporters from various local and foreign news agencies, newspapers, and radio and television stations.

Chancellor Helmut Kohl expressed his joy over his visit to Vietnam, a hospitable and warm-hearted country. He also expressed his high hopes for the bright future of German-Vietnamese ties. He said these ties are firmly based on the understanding achieved through the exchange of visits by the two countries' prime ministers and by various high-level delegations of the two countries' ministries and sectors. Chancellor Helmut Kohl said:

[Begin Helmut Kohl recording in German with superimposed Vietnamese translation] The purpose of my visit to Vietnam was to continue to enhance political and economic cooperation with Vietnam. I have had the opportunity to exchange views with Vietnamese leaders. I have held a thorough exchange of views with Prime Minister Vo Van Kiet. During these meetings, we discussed matters of mutual concern. All the Vietnamese leaders with whom I met told me that Vietnam's renovation path is irreversible. I also spoke highly of the beautiful achievements scored by Vietnam in the renovation process over the recent years and pointed out the need for Vietnam to continue this renovation process. I think that to make 75 million Vietnamese people aware of the path on which they are travelling is of great importance. Vietnam now stands a good chance to complete its trip into the future.

The joint statement signed early this year on the expansion and strengthening of German-Vietnamese relations serves as a good premise for the two countries to further promote relations. [end recording]

German Chancellor Helmut Kohl said Vietnam occupies an important position in Germany's Asian policy and pointed out that Germany is broadening its investment in this region, particularly in Vietnam, which is a correct step in its policy to approach Asia.

Chancellor Helmut Kohl also spoke of another important cooperation sphere, that is, culture. He said:

[Begin Helmut Kohl recording in German with superimposed Vietnamese translation] Besides economic relations, our two countries also need to broaden their cultural ties. I proposed the opening of the Goethe Cultural Institute in Hanoi. I believe that with the opening of the Goethe Institute, our bilateral relations can enjoy more cooperation. [end recording]

Afterwards, Chancellor Helmut Kohl answered many questions raised by reporters on matters concerning the promotion of German- Vietnamese relations. He said that the two countries would strive to resolve their differences and that under no circumstances would relations between the two countries be allowed to be negative as there are no burdens left by history for the two countries to face.

Asked about Germany's Asian policy, Chancellor Helmut Kohl said:

[Begin Helmut Kohl recording in German with superimposed Vietnamese translation] Asia's prospects for the next century is very bright. Asia is undergoing many beautiful changes, one example of this is the adoption of an open-door policy by Vietnam and China. This prompts us to think that there must be a change in our presence here, that is, it must be more realistic. [end recording]

In reply to a question about Germany's future development aid for Vietnam, Chancellor Helmut Kohl said:

[Begin Helmut Khol recording in German with superimposed Vietnamese translation] In the development aid area, last year Germany did many things and this year will increase credit insurance for Vietnam from DM [German marks] 100 million to DM 105 million. We will continue to increase other separate kinds of credit insurance. I must continue to point out here that to make strides forward, we must roll up our sleeves and get on the job, we cannot just use empty words. Vietnam must carry out remarkable renovations in the area of administrative procedures. [end recording]

Finally, Chancellor Helmut Kohl said: Germany will assist Vietnam in the area of vocational training, an important area in which, according to him, investments will certainly yield benefits at a time when Vietnam has great potential. In his meeting today with General Secretary Do Muoi, he was asked to assist Vietnam in this area.

Following the news conference, Chancellor Helmut Kohl left Hanoi for Ho Chi Minh city. Seeing him off were Prime Minister Vo Van Kiet, Foreign Minister Nguyen Manh Cam; Minister of State Le Xuan Trinh, head of the Government office; and representatives from various Vietnamese sectors.

German Companies Negotiating Technical Projects

AU2011105595 Berlin DIE WELT in German 18-19 Nov 95 p 13

[Report by Peter Schmalz: "Germany Discovers Vietnam"]

[FBIS Translated Text] Hanoi — On the list of foreign investors in Vietnam, Germany is still occupying only 23d place. However, on the sidelines of Chancellor Helmut Kohl's visit to Hanoi, Economics Minister Guenter Rexrodt (Free Democratic Party of Germany) expresses confidence: "At the moment more than 20 projects of German companies are being negotiated." Certainly, not all of them will be realized, the minister admitted in an interview with DIE WELT, "but we are catching up strongly."

Vietnam's Planning Minister Do Quoc Sam, whose Ministry was founded only two weeks ago and to whom all foreign projects must be presented for approval, promised Rexrodt benevolent examination and stated with the courtesy of a host: "We wish that Germany would become number one in our country."

The largest project is a facility for ore mining, whose total volume is given at $1.5 billion and which is planned by a consortium headed by Krupp Foerdertechnik. MAN-Takraf is negotiating on material-handling technology in several ports, HDW-Nobiskrug on the construction of multipurpose ships, and Deutsche Waggonbau on the delivery of entire trains.

Among the four dozen business leaders, who accompany the chancellor on his trip through Asia, in particular Siemens Board Chairman Heinrich von Pierer expresses satisfaction: His electronics corporation is the most important German supplier on the Vietnamese market. His people were able to secure about one-third of the new telecommunications projects. In southern Vietnam Siemens is negotiating the construction of a gas turbine power plant, which is to be supplied by the natural gas fields that were discovered off the coast. Kloeckner-Humboldt-Deutz chief Anton Schneider also has reason for joy: The negotiations on the construction of two cement factories are just about to be concluded.

Meanwhile, Kohl cited additional conditions for increasing the restrained involvement of German industry in Vietnam. Stable political surroundings, the reduction of bureaucratic obstacles, and implementation of the commitment to opening market economy are among them.

Commentary Reviews PRC Friendship, Cooperation

BK2011152095 Hanoi Voice of Vietnam in English 1000 GMT 20 Nov 95

[Station Commentary]

[FBIS Transcribed Text] As mentioned earlier in the news bulletin, Vietnamese Party General Secretary Do Muoi will visit China in the near future at the invitation of the Chinese Party General Secretary. Our radio reviews Vietnam-Chinese relations:

The Vietnamese party leader's visit is made against the positive regional and global background. Vietnam has recorded encouraging achievements in economic, social, and diplomatic fields. It has become a full member of the ASEAN, and Vietnam and the United States have established diplomatic relations. Vietnam and the

European Union have signed an economic and trade agreement, and Vietnam and many other countries have exchanged high-level visits to promote bilateral and multilateral relations.

Following the visit to Vietnam by the Chinese President Jiang

Zemin and the visit to China by Vietnamese President Le Duc Anh, the coming visit by the Vietnamese party leader will be a new, important step in the relations between Vietnam and China.

Vietnam and China have so far signed 15 agreements, leading to the restoration and gradual development of economic, trade, scientific and technological, educational, cultural, aviation, customs, and postal relations. Also of significance was the first session of the Joint China-Vietnam Commission for Economic and Trade Cooperation held in Hanoi this month. Both sides agreed on cross-border trade, trade ties, and China's projects to develop trade in the future. Speaking on that occasion, Vietnam's Vice Premier Phan Van Khai affirmed Vietnam's readiness to create favorable conditions for Chinese businessmen to invest in Vietnam and encouraged Vietnamese business people to exchange trade ties with China.

On the outstanding issues left by history and also newly emerged problems, both sides, China and Vietnam, reaffirmed the agreement reached at the high-level meeting in 1991 to solve border problems through peaceful negotiations. So far, three rounds of talks have been held at governmental level on the issue and six round of talks have been held by specialist groups.

At the recent meeting in Hanoi, the 1982 United Nations Convention on Sea Law was referred to discuss the sea border issue. Both sides agreed on procedures to be discussed at the next meeting in Beijing.

The coming visit to China by the Vietnamese party leader Do Muoi will capitalize on these positive developments.

Procedures on Re-Admitting Returnees Released

BK2011163695 Hanoi VNA in English
1557 GMT 20 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 20 — The prime minister has released an instruction on re-admitting Vietnamese citizens who have been refused permanent residence by foreign countries.

The instruction provides pre-requisites and procedures to address the effect, saying:

People who benefit from re-admission must maintain their original Vietnamese nationality and must not hold any other nationalities. They must have a permanent address in Vietnam before leaving the country and be guaranteed by an economic or social organization or individual residing in the country (excepting special cases for humanitarian reasons).

The re-admission must ensure principles for public order and safety as well as respect for the dignity of the returnees. To ensure successful re-admission and re-integration of the returnees, re-admission must be funded by concerned international agencies or countries.

The re-admission must be agreed to by Vietnam, and the other countries involved, the instruction further stipulates.

It also says that in the case when the return involves a large number of people or may cause problems, the re-admission must be negotiated between Vietnam and the relevant countries to arrive at an accord to this effect.

The Foreign Ministry and relevant ministries and offices of Vietnam have to work together to make a request for financial assistance from foreign partners for re-admission and reintegration of the returnees, especially with regard to the return of Vietnamese in great numbers from Germany and Holland.

New Zealand Envoy Interviewed on Bolger Visit

BK2011085495 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 19 Nov 95

[Interview with David John R. Kersey, New Zealand Ambassador to Vietnam, by an unidentified correspondent; recorded — date and place not given]

[FBIS Translated Text] [Correspondent] Your Excellency, what is your assessment of the significance and the objective of the visit by Prime Minister James Bolger?

[Kersey] [Begin Kersey recording in English fading into Vietnamese translation] It is a very important visit for New Zealand. We were very honored that Prime Minister Vo Van Kiet and party General Secretary Do Muoi visited New Zealand a few years ago. A New Zealand deputy prime minister has visited Vietnam before, and now for the first time a New Zealand prime minister will pay an official visit to Vietnam.

Vietnam-New Zealand relations are developing very satisfactorily. New Zealand sees itself as a part of the Asia Pacific region, as does Vietnam. Relations between our two countries are developing well, alongside the strong development of cooperation in the region. Thanks to the improved relations, investment has been boosted to a higher level and tourism has grown strongly. Our countries both have common concerns in the region, the most important of which is the wish to make the Asia Pacific region in general, and our countries in particular, a region of peace, stability, and prosperity. This is also the main goal of the Vietnam visit by Prime Minister James Bolger.

[Correspondent] As New Zealand is a regular dialogue partner of the Association of Southeast Asian Nations [ASEAN], what do you think about Vietnam joining ASEAN?

[Kersey] In joining ASEAN, Vietnam has decided to take what we regard as a very important and historic step. To New Zealand, relations with ASEAN member countries are an essential part of our external affairs policy, and that is why we are very happy to see Vietnam joining ASEAN. Moreover, Vietnam has been assigned to be coordinator for dialogue and relations between New Zealand and ASEAN. This role for Vietnam will certainly result in important contributions to the bilateral relations between Vietnam and New Zealand. Among the various aspects on the New Zealand-ASEAN dialogue agenda, economic cooperation is an important element. On 28 November there will be an economic conference in Wellington for the discussion of projects in the ASEAN-New Zealand economic cooperation program. A Vietnamese delegation will also attend the program. The current program of ASEAN-New Zealand economic cooperation includes cooperation in science and technology, trade, and investment; and there is also cooperation in developing the use of natural gas and cooperation on traffic regulations.

[Correspondent] Could you please outline the role that economic cooperation with ASEAN plays in the New Zealand economy?

[Kersey] The economic relationship between New Zealand and the ASEAN countries is certainly becoming a lot more important to New Zealand. As the economies of ASEAN countries become more industrialized, New Zealand has been importing more processed goods, including footwear, garments, fabric, light industrial products, consumer goods, television, video recorder, and so forth. Trade turnover between New Zealand and all ASEAN member countries has reached about $1.5 billion so far. In comparison with the total trade turnover between ASEAN and New Zealand, the trade turnover between New Zealand and Vietnam is still very slow, at about 2 percent; but it is developing very rapidly. Last year imports from Vietnam to New Zealand increased two-fold, and we hope that the figure will grow even faster in terms of both quantity and quality so as to ensure competitiveness with other countries in the region and the world.

[Correspondent] What is your assessment of the prospects for New Zealand-Vietnam economic cooperation in the future? What are the areas that New Zealand will focus on in cooperation with Vietnam?

[Kersey] There has been a lot of interest from New Zealand companies in the rapid growth of the Vietnamese economy, and quite a number of New Zealand companies have actually arrived in Vietnam to study investment opportunities. New Zealand is not yet a big investor, in the way that countries like Singapore and South Korea or those from Europe are, but many New Zealand companies that specialize in food processing, infrastructure construction, and railway development have started doing business here. Economic cooperation with Vietnam is included in the economic cooperation programs with ASEAN.

Another area where New Zealand's involvement is still modest, but which I hope will contribute to Vietnam's development, is human resources development and specialist training. A significant number of Vietnamese people have taken up studies in universities and research institutes in New Zealand. I hope that in the years to come more Vietnamese students will come to New Zealand to further their post-graduate education in science, technology, and economic management. Agriculture and forestry technology as well as livestock breeding and dairy products are also areas where New Zealand has considerable experience, and there will be a lot of opportunities for cooperation between our countries.

[Correspondent] Thank you, Your Excellency.

NHAN DAN Editorial Welcomes Bolger Visit

BK2011091695 Hanoi VNA in English
0836 GMT 20 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov.20 — The official visit to Vietnam by New Zealand Prime Minister [PM] J. Bolger starting today is a new manifestation of the growing development of the friendship and cooperation between the two countries, the national daily NHAN DAN says in a front-page editorial today.

Noting that this Vietnam visit is the first by a New Zealand prime minister since the two countries established diplomatic relations in 1975, the newspaper says that following the successful New Zealand visits by Prime Minister Vo Van Kiet in May 1993 and by party General Secretary Do Muoi in July 1995, this visit reaffirms the desire and determination of both sides to boost bilateral cooperative ties for mutual benefit.

'Although Vietnam and New Zealand are thousands of miles geographically apart,' the paper continues, 'they share an aspiration for peace, stability, cooperation and development. In recent years, the friendship and cooperation between the two countries have seen satisfactory development. New Zealand hails the achievements of Vietnam's process of renovation and expresses its readiness to share experience in national construction with Vietnam. New Zealand wants to expand bilateral cooperation in many areas, especially those where Vietnam is in need and where New Zealand has expertise.

The paper recalls that the two governments have signed agreements on economic cooperation and container transportation, and that New Zealand has been assisting Vietnam in industrial production, management of product quality, education and healthcare. It notes that an agreement on investment encouragement and protection is likely to be signed soon.

The two countries have common concern about many regional and world issues, NHAN DAN goes on, adding that New Zealand highly values the achievements in foreign policy and the role in Southeast Asia of Vietnam. As New Zealand is a dialogue PAF [expansion unknown] ASEAN, a delegate to ARF [ASEAN Regional Forum], and a member of APEC [Asia Pacific Economic Cooperation], it will certainly create favourable conditions for Vietnam and itself to expand their multifaceted cooperation with regional and world countries and organisations.

'We warmly welcome PM Bolger and wish him a successful visit, which will contribute to the enhancement of the friendship and cooperation between Vietnam and New Zealand in the interests of the two nations, for peace, stability, cooperation and development in Asia and the Pacific,' NHAN DAN says in conclusion.

New Zealand's Prime Minister Bolger Arrives

Meets With Vo Van Kiet

BK2011145895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 20 Nov 95

[FBIS Translated Text] At the invitation of Prime Minister Vo Van Kiet and his wife, New Zealand Prime Minister James Bolger and his wife arrived in Hanoi today for an official friendship visit.

Newspapers published in Hanoi today carried the photograph and personal history of his excellency James Bolger on the front page. They also ran editorials viewing this visit as an important event that will help bring Vietnamese-New Zealand relations to a new stage.

Today, the presidential palace area and a number of Hanoi's main streets were beautifully decorated with the national flags of the two countries and with slogans welcoming New Zealand Prime Minister James Bolger, his wife, and other distinguished New Zealand guests — many of them high-ranking officials in the New Zealand Government — who are on a visit to Vietnam.

At 1600 sharp, an official welcoming ceremony for New Zealand Prime Minister James Bolger took place at the presidential palace compound. Members of the Guard of Honor of the Vietnamese People's Army stood in straight rows during the imposing sound of military music that accentuated the solemn atmosphere of the welcoming ceremony. High-ranking Vietnamese leaders, including many ministers, deputy ministers, and leaders of sectors and organs at the central level and in Hanoi were present at the welcoming ceremony.

Prime Minister Vo Van Kiet and his wife walked to the motorcade to greet Prime Minister James Bolger.

Clad in traditional Ao Dai, a bevy of Hanoi girls jubilantly welcomed and presented Prime Minister James Bolger and his wife with beautiful bouquets of flowers freshly supplied by the Hanoi flower growing village.

After a military band played the national anthems of the two countries, Prime Ministers James Bolger and Vo Van Kiet reviewed the Guard of Honor of the Vietnamese People's Army and said hello to Vietnamese well-wishers.

Afterward, the Vietnamese and New Zealand delegations, respectively led by Prime Ministers Vo Van Kiet and James Bolger, held talks. Prime Minister Vo Van Kiet welcomed Prime Minister James Bolger on his visit to Vietnam, and pointed out the importance of this visit as it will help promote relations between the two countries in conformity with the aspirations of the two peoples and the general trend of our times.

In his reply to Prime Minister Vo Van Kiet, the New Zealand Prime Minister James Bolger expressed his joy at being able to visit Vietnam — a beautiful and hospitable country; and he thanked his excellency Prime Minister Vo Van Kiet for having invited him to visit Vietnam, thus creating conditions for him and other members of his delegation to understand more about Vietnam, its land and people. He regarded this as a good opportunity to promote relations of cooperation and friendship between the two countries.

The two sides — Vietnam and New Zealand — informed each other of their respective national situation and expressed their desire to achieve close cooperation in national construction.

The talks took place in a cordial atmosphere of mutual understanding.

Prime Minister Vo Van Kiet and his wife are hosting a grand banquet in honor of Prime Minister James Bolger and his wife and other distinguished New Zealand guests at the Government Guest House this evening.

Praises Hanoi's Achievements

BK2011163995 Hanoi VNA in English
1621 GMT 20 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 20 — Prime Minister Vo Van Kiet today held talks with the prime minister [PM] of New Zealand, Jim Bolger, who arrived here this afternoon for a four-day official visit to Vietnam.

PM Bolger is accompanied by his wife and a 20-member delegation, including the prime minister's assistant, Paul Plummer, the prime minister's secretary, Geoff Mathews, and press relation's consultant, Richard Griffin.

This is the first visit to Vietnam by a New Zealand prime minister since the two countries established diplomatic relations in June 1975.

During the talks, PM Kiet welcomed the New Zealand prime minister's visit as an important contribution to the promotion of mutual understanding and trust as well as the time-honored friendship and cooperation between Vietnam and New Zealand.

In an atmosphere of friendship and openness, Prime Minister Vo Van Kiet informed the guests of the achievements recorded by Vietnam in its policy on socio-economic renovation as well as its open-door foreign policy of diversification and multilateralisation of international relations. He welcomed the orientation of the Government of New Zealand and the prime minister himself to enhance the friendship and multilateral cooperation with Vietnam. He appreciated New Zealand's assistance to Vietnam in agriculture, forestry, personnel training and quality control. He described the opening of the New Zealand Embassy in Hanoi as a vivid manifestation of the New Zealand Government's policy to further boost all-sided cooperation with Vietnam.

For his part, Prime Minister Jim Bolger spoke highly of Vietnam's major achievements in the renovation process and implementation of the open-door foreign policy, which he said, had helped Vietnam raised its prestige on the international arena, thus making important contribution to the trend for peace, stability and cooperation for development in Asia and the Pacific. He renewed his government's orientation to develop cooperative ties with Vietnam in various fields including economy, trade and investment.

The two prime ministers expressed their pleasure at the new and rapid development steps of the two countries' relations following the New Zealand visit in May 1993 by Prime Minister Vo Van Kiet, the Vietnam visit in July 1993 by the New Zealand deputy prime minister, and the New Zealand visit in July 1995 by Party General Secretary Do Muoi. They were of the same view on the orientation and measures to broaden the bilateral relations in politics, economy, trade, investment, science and technology in conformity with the two countries' potential.

The two prime ministers also noted with satisfaction at Vietnam's becoming the coordinator country in the ASEAN-New Zealand relationship, which they said, have helped lay the framework for new cooperation between the two countries. They also took this occasion to exchange views on the international and regional issues of mutual concern including the issue relating to the Asian-Pacific Economic Cooperation (APEC) which has just organised the third summit in Osaka, Japan.

The New Zealand prime minister expressed sincere thanks to Prime Minister Vo Van Kiet and the Vietnamese people for their warm and cordial welcome.

The talks took place in an atmosphere of friendship and mutual understanding.

Attends Banquet in His Honor

BK2011165095 Hanoi VNA in English
1643 GMT 20 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 20 — Prime Minister Vo Van Kiet and his wife gave a banquet here this evening in honour of Prime Minister Jim Bolger, his wife and other New Zealand distinguished guests.

In his speech at the banquet, Prime Minister Vo Van Kiet warmly welcomed the Vietnam visit by PM Bolger and his party and recalled the hospitality and sincere sentiments of the New Zealand Government, and people and Mr. Bolger himself towards him during his visit to New Zealand in May 1993. He said that important results achieved during the visit have ushered in a new period of the Vietnam-New Zealand relations.

The prime minister said that Party General Secretary Do Muoi's July visit to New Zealand marked a new step of development in the two countries' history, and that Vietnam's admission to ASEAN has made the two countries' relations diversified.

He highly valued the outcomes of his talks with the New Zealand prime minister and expressed hopes for bilateral cooperation, saying 'I warmly welcome the orientation of the New Zealand Government to constantly promote friendly and cooperative relations with Vietnam, including material assistance and share of valuable experience in such areas that New Zealand is strong at.'

He continued by saying: 'Our two countries' foreign policy gives priority to developing the constructive relationship among countries in the Asia-Pacific. Hence, the fine development of the friendship and multi-sided cooperation between Vietnam and New Zealand has benefited not only the interest of both countries but also the common interest of this promising region.'

In reply, Prime Minister Jim Bolger confirmed that Prime Minister Kiet's New Zealand visit in May 1993 opened a new but important chapter in the bilateral relations between the two countries, and that follow-up meetings and exchanges of visits by leaders of the two countries have manifested the two countries' determination to enhance cooperation.

During the current Vietnam visit, the New Zealand PM will open the New Zealand Embassy in Hanoi and a Consulate General in Ho Chi Minh City, which Mr. Bolger described as important commitment by his government to further develop the relations between the two countries.

At the banquet, Prime Minister Jim Bolger spoke of the bilateral cooperation projects on human resource development, teaching of English, land use in the central highlands province of Gia Lai.

He also welcomed Vietnam's joining ASEAN and its becoming the coordinator country in the New Zealand-ASEAN relationship. He stressed that the two countries have cooperated for a more equitable international trade system, disarmament, regional security, and environmental protection.

The two prime ministers proposed toasts to the friendship, cooperation and prosperity of both countries.

Meets With Do Muoi 21 Nov

BK2211014095 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Nov 95

[FBIS Translated Text] New Zealand Prime Minister James Bolger, currently on an official friendly visit to Vietnam, paid a courtesy call on Party General Secretary Do Muoi this afternoon.

The New Zealand Prime Minister expressed his delight at having the chance to visit Vietnam and expressed satisfaction in his meetings with Vietnamese leaders during which both sides asserted the desire to strengthen bilateral relations.

Prime Minister James Bolger highly praised the achievements scored by Vietnam in its renovation undertaking. He expressed the belief that under the Vietnamese Communist Party's clear-sighted leadership and the Vietnamese people's diligent and intelligent quality, Vietnam will soon be built into a prosperous and happy nation.

Party General Secretary Do Muoi welcomed Prime Minister James Bolger and his entourage on their visit to Vietnam, saying the visit is a concrete manifestation of the desire of both nations to consolidate and develop the friendship and multifaceted cooperation for the interests of the two peoples.

General Secretary Do Muoi recalled the warm welcome and hospitality extended to him by the New Zealand leaders and people during his visit to the country in July this year. He expressed the hope that Vietnam-New Zealand friendship and cooperation would be strengthened during this meaningful visit to Vietnam by the New Zealand Prime Minister.

Leaves Hanoi for Ho Chi Minh City

BK2211100095 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 22 Nov 95

[FBIS Translated Text] New Zealand Prime Minister James Bolger, his wife, and other New Zealand guests have left Hanoi for Ho Chi Minh City this morning, thus concluding their two-day working visit to Hanoi.

The New Zealand delegation was seen off at the Government Guest House by Le Xuan Trinh, minister of state and director of the government office; and representatives of various ministries and sectors at the central level and in Hanoi.

Prime Minister James Bolger expressed his sincere gratitude for the warm welcome accorded by Vietnamese leaders and people to his delegation during its stay in Hanoi, saying that this has created a beautiful impression among members of the delegation. He also expressed hopes that with this visit, relations between Vietnam and New Zealand will make an additional important step forward and will bring great contributions to each country's national construction undertaking.

Minister Le Xuan Trinh, on behalf of Prime Minister Vo Van Kiet and his wife, bade farewell to the New Zealand prime minister and his wife, and other distinguished New Zealand guests. He highly appreciated the results of the prime minister's visit and expressed hopes that the two governments and peoples will do their best to promote increasingly-diverse and expanded cooperation between Vietnam and New Zealand in the interests of each country and of the region.

He wished the visit of Prime Minister James Bolger to Ho Chi Minh City to be successful.

Radio Comments on Bolger's Visit

BK2111162595 Hanoi Voice of Vietnam in English 1000 GMT 21 Nov 95

[FBIS Transcribed Text] As reported earlier in the news bulletin, New Zealand Prime Minister Mr. Jim Bolger is on a visit to Vietnam. On Monday afternoon, he held talks with Prime Minister Vo Van Kiet. Mr. Kiet maintained that the first visit to Vietnam of the New Zealand prime minister was an important contribution to further strengthening mutual understanding and trust and long-term friendly and cooperative cooperation between Vietnam and New Zealand. He warmly welcomed the New Zealand Government's policy and efforts from the prime minister himself to strengthen friendly and multifaceted cooperative relations. He highly valued New Zealand's assistance to Vietnam in agriculture, forestry, personnel training, and quality control and for sharing experience and investment in areas New Zealand specialized in. The Vietnamese prime minister welcomed the opening of the New Zealand Embassy in Hanoi. Mr. Bolger, for his part, reaffirmed New Zealand's commitment to further promote bilateral relations with Vietnam, particularly in trade and direct foreign investment.

The two prime minister were pleased with new and rapid development in bilateral relations since the visit to each country by leaders of the two countries. They agreed that the main areas of development in bilateral cooperation will be trade, investment, science, and technology and were pleased that Vietnam has become a coordinator in ASEAN-New Zealand relations. The two prime ministers held that was created a new cooperative framework between the two countries. The two prime minister also compared notes on international and regional issues of mutual concern, including the APEC [Asia and the Pacific Economic Corporation] issues.

On Monday evening, the New Zealand prime minister and his party were given a state banquet by the Vietnamese prime minister. Addressing the reception at that banquet, Prime Minister Vo Van Kiet stressed that over the last two years, important developments have been seen in cooperation between Vietnam and New Zealand. Many agreements have been concluded. Multisided cooperation has been strengthened. And he highly valued the result of the current talks and pinned much hope on bilateral cooperation in the next few years.

In reply, Mr. Bolger reaffirmed that the visit by Prime Minister Vo Van Kiet to New Zealand in October 1993 opened up an important chapter in bilateral relations. He stressed that mutual visits of senior leaders of the two countries show the determination to cooperate. Mr. Bolger stated that bilateral cooperative and development projects were proving a success. The projects met each country's development needs and capacity. He also pledged bilateral cooperation in human resource development, English training, and better use of soil in the central highland province of Gia Lai.

Hanoi Party Committee Reviews Mobilization Work

BK2211012295 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Nov 95

[FBIS Translated Text] The Hanoi Party Committee held a conference in Hanoi on 21 November to review the implementation of the party Central Committee resolution No. 8D on renovating the party mass mobilization work and strengthening ties between the party and people. Comrade Vu Oanh, member of the party Central Committee Political Bureau attended the conference.

Reports at the conference asserted that after five years of implementing the resolution and thanks to achievements in renovation, national economic development, improvement in the people's daily life, and the new party policy on mass mobilization work, generally speaking, the people's thinking and attitudes have been stabilized and their confidence in the party enhanced.

The Fatherland Front Committee and other mass organizations have renovated their activities and have recorded better achievements, thus enhancing the people's confidence in the party and strengthening the close ties between the people, party, and state.

The reports also cited Hanoi's shortcomings and weaknesses and suggested measures to overcome them to effectively implement the party resolution on mass mobilization work.

Addressing the conference, comrade Vu Oanh highly appraised efforts by Hanoi in carrying out the task. He also mentioned some shortcomings and suggested measures to satisfactorily carry out this important task.

Do Muoi Addresses Education Sector on Anniversary

BK2011163195 Hanoi VNA in English 1557 GMT 20 Nov 95

[FBIS Transcribed Text] Hanoi VNA November 20 — A grand meeting was held here this morning to mark the 50th anniversary of the Vietnamese revolutionary education sector.

Addressing the meeting, Party General Secretary Do Muoi commended the more than 700,000 teachers and 17 million pupils and students throughout the country for their outstanding achievements.

The educational achievements cited by the party leader on this occasion included the illiteracy eradication for 90 percent of the population, the training of over 700,000 university graduates, more than 8,000 doctors and associate doctors, tens of thousands of them of ethnic minority groups.

"The party and state have long regarded investments in education as one of the main directions for development investments, as it facilitates education to go forwards in service of national development," the party leader stressed. He therefore asked for determination of a strategy for education-training development suitable to that for socio-economic development.

Party General Secretary Do Muoi also asked the education sector to soon achieve popularisation of primary education nationwide, vocational training for students and other young people, expansion of university education as well as taking good care of talents.

In acknowledgement of the education sector over the past 50 years, the state has decided to confer the gold star order, the country's highest distinction, on the sector.

The education and training minister, Mr. Tran Hong Quan, set targets for the year 2000 including primary education popularisation, secondary education popularisation in all major cities and industrial zones and for half of children aged from 11-17 in other localities, college and university education for from five to six percent of people of from 18-23 years old, and rate of trained workers of 20 percent.

Also on this occasion, medal "for the cause of education" was awarded to Party General Secretary Do Muoi, advisor to the Party Central Committee Pham Van Dong, National Assembly Chairman Nong Duc Manh, Deputy State President Nguyen Thi Binh, Deputy Prime Minister Phan Van Khai, General Vo Nguyen Giap, and other senior officials and outstanding teachers.

Stresses Importance of Education

BK2111083895 Hanoi VNA in English
0819 GMT 21 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 21—"The party and state have regarded investment in education as one of the main directions for development thus facilitating education to go forward and to serve national development," Party General Secretary Do Muoi stressed in his address to a grand meeting held here yesterday to celebrate the 50th anniversary of the Vietnamese revolutionary education sector.

Recalling the development of the education sector over a half century, the party leader said that the Vietnamese revolutionary education sector was born in 1945 together with the formation of the Democratic Republic of Vietnam. From a country with a 95 percent illiteracy rate, Vietnam has now educated 90 percent of its population built up a systematic education system from kindergarten to university and post university turned out over 70,000 university graduates, 8,000 doctors and associate doctors, including tens of thousands of people from ethnic minority groups.

This is extremely precious property of the country, the party leader said, the most fundamental source for immediate- and long-term national development as pointed out by the late President Ho Chi Minh: "For the interest of a decade, we must plant trees for the interest of a century we must raise men."

Educational work is always emphasized by the state and Government of Vietnam. As early as the first meeting of the Government Council in Sept. 3, 1945, President Ho Chi Minh said: "The fight against illiteracy is as important as the fight against poverty and invaders".

The party general secretary also quoted President Ho Chi Minh's letter to pupils on the opening school day in September 1945 : "Whether Vietnam will become glorious or not, whether the Vietnamese people can equal the powerful nations in the world or not, will depend greatly on how you study."

Do Muoi continued his speech saying that at present, Vietnam is entering the path of industrialisation and modernisation, striving to get out of backwardness and poverty and to become an industrial country with advanced technology in several decades, obtaining the goals of a prosperous people, a strong country, and a fair and civilised society, translating the noble ideals and objectives of socialism into reality.

To that ends, much attention must be paid to education work to accelerate its development, and improve its quality and effectiveness so as to raise people's education level, and take good care of the country's talent.

Achievements in Agricultural Production Detailed

BK1911074295 Hanoi VNA in English
0625 GMT 19 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 19 — Vietnam's agricultural production over the past five years has played an important role in fighting poverty, stabilizing society and speeding up GDP growth.

The country's food production total output has gradually increased by 21.48 million tonnes in 1991, to 24.21 million tonnes in 1992, 25.5 million tonnes in 1993, 26.5 million tonnes in 1994 and some 27.8 million tonnes this year, 9.6 percent higher than the yearly target of 25 million tonnes.

From 1993 to now, the average food output has increased by 1.2 million tonnes each year despite frequent storms and pestilence. The food growth rate has exceeded that of the population with 5.8 percent and 2.2 percent per year respectively, raising the average per-capita food output from 324.9 kilos in 1991 to 364 kilos this year. This helps Vietnam to be not only self-sufficient in food and to supplement state reserves, but also export its rice surplus, rising from one million tonnes in 1991 to two million tonnes in 1995. From a rice importer, Vietnam has emerged as the third largest rice exporter in the world after Thailand and the United States.

The most remarkable progress in food production is the practice of intensive farming to boost rice output in a large area of 6.7 million hectares [ha]. Rice output jumped from 3.1 tonnes per hectare per crop to 3.56 tonnes in 1994 and 3.7 tonnes this year.

Production of industrial crops, vegetables and fruit trees has also reached some progress in terms of both scale and speed of development. There are a total of 140,000 hectares under coffee cultivation in the country with concentrated areas accounting for more than 71 percent, (mostly in the central highlands provinces). Another 245,000 ha is under rubber (largely in the southeastern provinces). The Red River and Mekong River deltas, the country's two biggest rice producers, are also the main orchard and vegetable growing areas.

Recent years have seen the rapid output growth of industrial crops, particularly export-oriented crops. The output of coffee beans has risen to 175,000 tonnes in 1995 from 72,300 tonnes in 1991 and dry latex to 130,000 tonnes from 64,000 tonnes. This year, Vietnam has exported over 160,000 tonnes of coffee beans, gaining USD [U.S. dollars] 420 million.

In livestock breeding, the herd of cattle has increased to 6.5 million heads in 1995 from 4.5 million in 1991, while the pig herd now stands at 16 million as compared with 12 million in 1991.

These achievements in agriculture over the past five years have not only helped boost economic development and stabilize society but have also improved the people's living standard and changed the face of the countryside.

According to a survey conducted last year, 52.4 percent of the more than 10 million farmer households have access to electricity, 57.7 percent have brick-built houses, 21.1 percent have TV sets and 10 percent have motorbikes.

Policies worked out by the party and state on issues relating to land, tax and loans to encourage agricultural production, particularly the allocation of land use on a long-term basis to farmers are seen as a new driving force for the agricultural development. Conditions created by these have resulted in the effective tapping of the potential of cultivatable land and human resources.

The agriculture sector plans to achieve between 30 and 32 million tonnes of food output by the year 2000.

Lang Son Builds 36-Kilometer Electricity Line

BK1411074195 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 11 Nov 95

[FBIS Translated Text] Recently, the Electricity Department in Lang Son Province has officially put the 110-kilovolt Dong Mo-Lang Son electricity line and the 110-kilovolt-ampere Lang Son transformer station into operation to supply electricity from the national grid for local consumption in border districts. The total electricity line is nearly 36 kilometers long and built by the No. 4 Electricity Construction Company under the Vietnam Electricity Corporation. The company carefully assigned skilled workers with extensive experience in working in mountainous areas and in building transformer stations. At the same time, the company provided enough equipment and funding for speedy construction.

Government Grants Funds To Aid Typhoon Victims

BK1611034195 Hanoi VNA in English 1258 GMT 15 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 15—One hundred and thirty-seven people were killed, 199 injured and 46 reported missing after typhoons Ted, Yvette and Zack struck central Vietnam all within a month from Oct. 5-Nov. 3 this year, according to the National Committee for Flood and Storm Prevention.

The committee, which called a press conference here yesterday, stated that losses estimated at VND [Vietnamese dong] 630.8 billion were inflicted upon the lives and property of locals by the three consecutive typhoons. With wind gusts of up to 12 on the Beaufort scale, the storms churned across a vast area of central Vietnam from Quang Binh to Binh Dinh Provinces.

The typhoons, which developed from tropical depressions in the eastern sea, also knocked down 7,801 houses and wrecked or submerged 256,944 other homes, 3,509 classrooms, and 456 hospitals and medical stations, making tens of thousands of people homeless. Almost all pupils were stopped from going to school, and hundreds of hospitalized patients were driven out of medical clinics and medical stations.

The typhoons further destroyed 23,400 ha of rice crops and caused waterlogging to 56,885 more ha [hectares] of rice. About 1,100 boats and vessels were sunk or drifted away, the committee added.

The typhoons, accompanied by heavy downpours also caused great havoc to vegetable and cash crops and seedlings for afforestation. They killed hundreds of cattle and poultry raised by local farmers.

Hundreds of kilometres of highways and roads were damaged and ruined due to prolonged water submersion, which was as high as 2m on several portions of road. In addition, 634 bridges and sluices, and many irrigation works, especially a major project in the southern part of Thach Han in Quang Tri Province, were badly damaged.

According to the committee, the government has granted VND 17,465 million to typhoon victims. It has also ordered the Ministry of Planning and Investment to give VND six billion from the state budget to the locals in an effort to restore various projects and infrastructure facilities damaged badly by the natural calamity.

At the press conference, the committee announced that 116 people were killed, most of them children, when flash floods swept the Mekong River delta in early October. The floods, which hit Dong Thap, An Giang, Long An, Tien Giang and Kien Giang Provinces in the delta, also caused great losses in property to the locals. The total losses were estimated at VND 315,788 million.

Australia

UN Resolution on Nuclear Testing Viewed

BK1711104095 Melbourne Radio Australia in English 0630 GMT 17 Nov 95

[From the "International Report" program]

[FBIS Transcribed Text] Australia has blamed France for a lower-than-expected show of support for a United Nations resolution condemning nuclear testing. The international community voted for the first time on a draft resolution scheduled to go before the General Assembly next month. Nearly 40 percent of member states either abstained, or they were absent when the vote was taken. The resolution also failed to win the backing of either Russia or the United States. But, despite the disappointment, Australia's Ambassador to the United Nations Richard Butler told our New York correspondent Philip Lasker that he was pleased with the outcome.

[Begin recording] [Butler] It was an extraordinary result. The UN community was put under a degree of pressure by France that no one had ever seen before, and that drove our vote down a little bit, but we got two-thirds of those who are present in voting. I say present in voting because some 25 countries had found it all too hard to be under the sort of direct pressure that was being applied by France and just simply didn't show up.

We got 95 votes. That is a good result, and it is especially extraordinary because it included a majority of France's European Union partners and a spate of countries from the four corners of this globe, representing the widespread public opinion there is in the world on nuclear testing.

[Lasker] But not the United States. The United States abstained and Russia abstained; in fact, not one of the major nuclear powers voted yes. That must be a major disappointment.

[Butler] The United Kingdom, for reasons which deeply mystified the Commonwealth Heads of Government in Auckland last week, decided to stand with France and China. The U.S. and Russia abstained. They took a middle position, but both of them made very clear that they wanted an end to nuclear testing. They wanted a total nuclear test ban treaty by next year. They said they had a few technical difficulty in a way in which the resolution was phrased that meant that they had to abstain rather than vote yes.

I believe we will be talking with them about that as this resolution heads towards the plenary of the General Assembly for final ratification in about three weeks time.

[Lasker] What are the chances, though, that the United States, for example, or Russia will change its vote between now and when the resolution goes before the General Assembly?

[Butler] Who knows? Within this next three weeks they might think again or, God forbid, you know France might push again. So, it is a discussion that we will keep alive, I'm sure. [end recording]

Keating Views French Nonproliferation Commitment

BK2211063995 Melbourne Radio Australia in English 0500 GMT 22 Nov 95

[FBIS Transcribed Text] Australia has questioned France's commitment to scrapping its nuclear weapons following its fourth test at Mururoa Atoll. The prime minister, Paul Keating, said each test makes Australia more skeptical about France's intentions. Defense Minister Robert Ray said it will be difficult to repair relations between Australia and France after the tests.

[Begin Ray recording] I do not think both sides are deliberately cautious, because after a bilateral difference one rebuilds these associations much more slowly than you normally would. And I would believe that past this testing period and the French Government signing up to the nuclear test ban treaty it would still take some time. [end recording]

'Appalled' by Latest Nuclear Test

BK2211022795 Melbourne Radio Australia in English 0100 GMT 22 Nov 95

[FBIS Transcribed Text] The Australian Government has responded vigorously to the latest French nuclear test in the South Pacific. Prime Minister Keating said he was appalled that the French Government continued to show its disregard for the feelings of the South Pacific people. Mr. Keating said France has further isolated itself from international thinking on nuclear issues and devalued its international credentials.

France's Ambassador Dominique Girard was called to Parliament House to hear Australia's protest from the foreign minister, Gareth Evans.

[Begin Girard recording] Well, I certainly think that the nuclear issue is a very complicated one. I think it is very often possible to make caricatures which can be absorbed by the general public and I think the general public should be more respected on issues like that. [end recording]

After meeting the ambassador, Senator Evans told journalists that France's recent indication of a policy of strengthening its nuclear deterrence is a disturbing new development. Sen. Evans said France is continuing to exacerbate the big nuclear problem of the age — proliferation.

Evans Views 'Worrying Element' in French Tests

BK2211085195 Melbourne Radio Australia in English 0630 GMT 22 Nov 95

[From the "International Report" program]

[FBIS Transcribed Text] The latest nuclear test in the South Pacific has been condemned by Australia in similar terms to the three previous tests of the series. The foreign minister, Gareth Evans, says there is a new worrying element to France's nuclear program. Stuart Heather reports the Australian Government says it is concerned that France is pursuing a policy to strengthen its nuclear deterrence capacity.

[Begin recording] [Heather] The Australian foreign minister called France's ambassador in Canberra, Dominique Girard, into his office for yet another official protest. Senator Evans described the meeting as stern, but Monsieur Girard gave his usual nonchalant performance to waiting reporters.

[Girard] Well, nothing really new about that and I think mostly the old arguments that we all know.

[Heather] The meeting in Parliament House was longer than the three previous occasions when the French ambassador had received Australia's protests. Sen. Evans explained the extra time had been spent discussing a disturbing new development arising from the recent meeting of the French and British leaders.

[Evans] We are even more concerned about where France stood on this as a result of the recent meeting between John Major and President Chirac at which the language of strength and deterrence was used, I think for the first time, because that really did give the game away so far as the intentions of France and it seems also Britain are concerned. That is to say that what they are about, it seems, is simply maintaining the safety of existing stockpiles, not simply maintaining, as we would agree, a system of balanced deterrence while we go about achieving a nuclear free world. What they are actually about is strengthening the system of deterrence against God knows what threats from whom, but not the sort of language that is consistent with the obligations these countries have under the nonproliferation treaty and the larger policy objectives that they say they have to join eventually in a nuclear free world.

So, this was, if you like, a new element in the equation, was taken by the ambassador as a new element. That is why we had such a long meeting because we spent quite a bit of time arguing about the implications of this. But I was very concerned to get that message across. That is exactly the wrong message they have been given by that Chirac-Major communique and it was a cause of real concern, I think, so far as a great many countries around the world are concerned, not just here in the South Pacific.

[Heather] Sen. Evans accused France of continuing to exacerbate what he called the big nuclear problem of our age — proliferation.

[Evans] You cannot get that nonproliferation that nonproliferation message out to the threshold states or to the potential rogue states of the future and those who are necessary to apply a tough verification regime against such states. You cannot get that message out if countries around the world do not believe in the seriousness of purpose of the existing declared nuclear weapons states unless and until people actually believe that the existing key five — the declared nuclear weapons states, including France — are serious, are genuine, about a commitment to elimination the nonproliferation objective is really going nowhere.

[Heather] The Australian foreign minister said he had pointed out to the French ambassador the recent vote in the United Nations in favor or a resolution against nuclear weapons. Sen. Evans said the vote would have been stronger if France had not lobbied former French colonies and aspirants to European Union membership and Sen. Evans said despite France's public relations efforts, it is not winning over global public opinion.

[Evans] France is not popular anywhere in the world for this and is not popular for very good reasons. [end recording]

Cypriot President Meets Prime Minister Keating

NC1511063895 Nicosia Cyprus Broadcasting Corporation Radio Network in Greek 0530 GMT 15 Nov 95

[FBIS Translated Text] Australian Prime Minister Paul Keating met President Glavkos Kliridhis in Canberra and said that Australia is demonstrating a continuous interest in the Cyprus issue and is supporting the Cypriot Government's efforts to bring normality to Cyprus. He said that Australia is also accepting the Cypriot position that it is necessary to expand the guarantees and demilitarize Cyprus. Keating mentioned that he has already discussed the need to resolve the Cyprus issue with U.S. President Bill Clinton and that he will raise the issue again with the U.S. President.

President Kliridhis said he and the Australian prime minister discussed the Cyprus issue as well as ways to strengthen bilateral relations in various sectors, especially the commercial and the financial sectors. Later, Kliridhis went to Melbourne where he received a warm welcome from Greek Australians.

Air Defense Exercise With Indonesia Begins

LD1911124895 Melbourne Radio Australia in English 1100 GMT 19 Nov 95

[FBIS Transcribed Text] A week-long joint air defense exercise between Australia and Indonesia has been officially launched in the Northern Territory. The (?Elang) Aus-Indo '95 exercise includes about 50 Indonesian personnel and five F-5 aircraft from Indonesia's 14th Squadron, based in Central Java. Also taking part are F-18 Hornets from Australia's Tindall-based 75th Squadron. The exercise will include combined fighter maneuver training and air combat practice. It follows several other defense maneuvers in the Northern Territory this year, including the Kangaroo '95 exercise in which Indonesian paratroopers took part.

Deputy Prime Minister Views India Ties

BK1711065995 Melbourne Radio Australia in English 0500 GMT 17 Nov 95

[FBIS Transcribed Text] Australia's deputy prime minister, Kim Beazley, has reiterated the government's commitment to strengthening its relationship with India. Deborah Steele reports from Melbourne:

[Begin Steele recording] Addressing a Melbourne conference, Mr. Beazley said much had been achieved in recent years in creating an awareness among Australia's business community of the potential of the Indain market. He said an Australian Government promotion to be held in India next year would be a marketing key hit for bilateral trade links. Mr. Beazley added that as India asserted its place in the post-Cold War era, it would play a greater role in shaping global development. He said this combined with the potential of the Indian economy was the basis for Australia's commitment to renewing and strengthening its ties with India. [end recording]

New Zealand

Bolger Deems Nuclear Test 'Totally Unacceptable'

BK2211062395 Melbourne Radio Australia in English 0500 GMT 22 Nov 95

[FBIS Transcribed Text] The South Pacific Forum has reacted with extreme anger to the fourth French nuclear blast. Spokesperson [Alfredo Sosako] said the test has widened the rift between France and regional countries. The head of the Evangelical Church in French Polynesia, [Jacques Eihorai], has also deplored France's latest nuclear test. The church leader said the French president, Jacques Chirac, had ignored the wishes of the Polynesian people to end nuclear testing, which he had brought to Mr. Chirac at the meeting last month.

New Zealand Prime Minister Jim Bolger said the latest nuclear test is totally unacceptable. Speaking at the end of an official visit to the Vietnamese capital, Hanoi, Mr. Bolger said the French actions were a slap in the face to world opinion.

[Begin Bolger recording] We had the UN General Assembly, the first committee of the Assembly vote 95 to 12 against nuclear tests, that included a number of important French allies in the European Union. We had the Commonwealth come out and condemn nuclear tests. France is becoming very wearisome in their total refusal to listen to world opinion. [end recording]

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